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LEGISLATIVE HISTORY

Public Law 688--79th Congress.

Chapter 908--2d Session

H. R. 4718

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DIGEST OF PUBLIC LAW 688

CIVIL-SERVICE RETIREMENT. Amends the Civil Service Retirement Act to provide annuities for separated employees at least 55 years of age who have served at least 25 years.

INDEX AND SUMMARY OF HISTORY ON H. R. 4718

November 16, 1945	Rep. Forand introduced H. R. 4718 which was referred to the House Committee on the Civil Service. Print of the bill as introduced.
May 23, 1946	Hearings: House, H. R. 4718.
June 24, 1946	S. 2366 introduced by Senator Green and was referred to the Senate Committee on Civil Service. Print of the bill as introduced. (Companion bill).
June 29, 1946	House Committee reported H. R. 4718 with amendments. House Report 2443. Print of the bill as reported.
July 10, 1946	Senate Committee reported S. 2366 with an amendment. Senate Report 1678. Print of the bill as reported.
July 15, 1946	H. R. 4718 was debated in the House and passed as reported. Rules Committee reported H. Res. 709 for the consideration of H. R. 4718. House Report 2520. Print of the Resolution.
July 16, 1947	H. R. 4718 was referred to the Senate Civil Service Committee.
July 17, 1946	S. 2366 indefinitely postponed in lieu of H. R. 4718. H. R. 4718 debated in the Senate and passed with amendments. Senate Conferees appointed. Print of the bill as passed by the Senate.
July 18, 1946	House Conferees appointed.
July 22, 1946	House received Conference Report. House Rept. 2624.
July 23, 1946	House agreed to Conference Report.
July 27, 1946	Senate agreed to Conference Report.
August 8, 1946	Approved. Public Law 688.

H. R. 4718

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 16, 1945

Mr. FORAND introduced the following bill; which was referred to the Committee on the Civil Service

A BILL

To provide optional retirement for Government officers and employees who have rendered at least twenty-five years of service.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 1 of the Civil Service Retirement Act of May 29,
4 1930, as amended, is hereby amended by inserting after the
5 first paragraph of subsection (d) a new subsection as follows:
6 “(e) Any officer or employee of the United States to
7 whom this Act applies who shall have been voluntarily or
8 involuntarily separated from the service between August 14,
9 1945, and August 14, 1947, after having rendered at least
10 twenty-five years of service computed under the provisions
11 of section 5 hereof, shall be paid an annuity computed as pro-
12 vided in section 4 of this Act.”

79TH CONGRESS
1ST SESSION

H. R. 4718

A BILL

To provide optional retirement for Government officers and employees who have rendered at least twenty-five years of service.

By Mr. FORAND

NOVEMBER 16, 1945

Referred to the Committee on the Civil Service

RETIREMENT AFTER TWENTY-FIVE YEARS OF SERVICE

HEARINGS

BEFORE THE

COMMITTEE ON THE CIVIL SERVICE

HOUSE OF REPRESENTATIVES

SEVENTY-NINTH CONGRESS

SECOND SESSION

ON

H. R. 4718

AND OTHER RELATED BILLS ON RETIREMENT

MAY 23, JUNE 11 AND 13, 1946

Printed for the use of the Committee on the Civil Service



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SUBCOMMITTEE OF THE COMMITTEE ON THE CIVIL SERVICE HOLDING HEARINGS
ON H. R. 4718

GEORGE P. MILLER, *Chairman*

MR. RAYFIEL
MR. HUBER

MR. REES
MR. VURSELL

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RETIREMENT AFTER TWENTY-FIVE YEARS OF SERVICE

THURSDAY, MAY 23, 1946

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON RETIREMENT OF THE
COMMITTEE ON THE CIVIL SERVICE,
Washington, D. C.

The Subcommittee on Retirement of the Committee on the Civil Service met in the committee room, the Capitol, at 10:30 a. m., Hon. Leo F. Rayfiel (acting chairman) presiding.

Other subcommittee members present were: Hon. Edward H. Rees and Hon. Charles W. Vursell. Hon. John W. Byrnes of the full committee was also present.

Mr. RAYFIEL. The committee will come to order.

Ladies and gentlemen, the subcommittee welcomes you here today and we are sorry that we cannot find more and better accommodations. I guess there are more of you here than we expected.

We do not have a quorum of our subcommittee at the moment, but in the interest of expedition and in view of the fact that the House will go into session at 11 o'clock today, and so as not to cause you greater inconvenience than has been caused you thus far, we will start the proceedings.

The subcommittee was appointed by Representative Randolph, chairman of the Civil Service Committee, to hear testimony and accept statements from those who wish to address themselves to the various retirement bills which are before the Civil Service Committee, and we have been obliged to adopt a certain order of procedure here.

Mr. Miller of California, who is chairman of the subcommittee, has asked me to express his regret because of his inability to be here today. He was obliged to leave for California this morning, and, of course, he will be back to serve in the capacity of chairman of this subcommittee just as soon as the hearings are resumed.

Now some of you are from out of town and some of you have come from distant points, and I would like you on behalf of the committee to leave with the reporter sitting on my right any statements which you had intended to read. You can file them and, of course, they will take their place in the record to the same extent and force and effect as if you had testified in person before the committee.

Now the chairman has asked me to say that there are a number of bills, as you know, before the committee, and for the record I will list what they are. They are:

H. R. 74, introduced by Mr. Lane, on which the Civil Service Commission reports adversely. This proposal provides for optional retirement of any employee after he has served 25 years, regardless of his age, without any reduction in rate by reason of the earlier retirement.

H. R. 310, introduced by Mr. McMillan, on which the Civil Service Commission reports adversely. This proposal provides for optional retirement of any employee after he has served 30 years, regardless of his age at that time, and without any reduction in rate by reason of earlier retirement.

H. R. 334, introduced by Mr. Shafer, on which the Civil Service Commission reports adversely. This proposes optional retirement of any employee after he has served 30 years, regardless of his age at that time, and without any reduction in rate by reason of earlier retirement.

H. R. 1445, introduced by Mr. Mundt, on which the Civil Service Commission reports adversely. This bill would provide for optional retirement for Government employees who have attained the age of 55 and rendered at least 25 years of service with the annuity payment the same as at 62.

H. R. 1969, introduced by Mr. Rees, on which the Civil Service Commission reports adversely. This bill would place all employees separated after 5 years of service in exactly the same position with respect to payment of annuity at age 62. However, the employee separated after 5 years of service without fault on his part would be eligible to elect to receive a reduced benefit beginning at age 55 (including those separated voluntarily as well as involuntarily).

H. R. 4133, introduced by Mr. Lane, on which the Civil Service Commission reports adversely. This bill would amend section 1 (d) of the present retirement law which permits an employee who has rendered at least 30 years of service and attained an age of 55 to retire at his option and receive an immediate annuity having value equal to a deferred annuity at age 60. Also provides for payment after retirement of an amount equal to retirement contributions which he would have paid had he remained in service.

H. R. 4223, introduced by Mr. Clason, on which the Civil Service Commission reports adversely. This bill would permit retirement of employees after completion of 25 years of service without regard to the attained age and provides for a minimum guaranteed retirement benefit.

H. R. 4718, introduced by Mr. Forand, on which the Civil Service Commission reports adversely. Anyone with 25 years of service (1945-47) may retire at reduced annuity.

H. R. 4815, introduced by Mr. O'Brien, on which the Civil Service Commission reports adversely. Provides for optional retirement of any postal employee after he served 25 years regardless of his age at that time without reduction in rate.

H. R. 5045, introduced by Mr. Ramspeck, which was submitted by the Civil Service Commission. Provides eligibility for annuity at age 70 after at least 5 years of service in lieu of 15.

For the purpose of the discussion we intend to use H. R. 4718, introduced by Representative Aime J. Forand, of Rhode Island, who is here today, and following him we will hear from others.

I repeat that those who wish to testify personally at some later date when the hearings are resumed may leave their names and addresses with Miss Haller, committee clerk, and she will be very glad to notify you when the hearings are resumed.

At this point I will insert in the record a copy of H. R. 4718.

(H. R. 4718 is as follows:)

[H. R. No. 4718, 79th Cong., 1st sess.]

A BILL To provide optional retirement for Government officers and employees who have rendered at least twenty-five years of service

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, is hereby amended by inserting after the first paragraph of subsection (d) a new subsection as follows:

"(e) Any officer or employee of the United States to whom this Act applies who shall have been voluntarily or involuntarily separated from the service between August 14, 1945, and August 14, 1947, after having rendered at least twenty-five years of service computed under the provisions of section 5 hereof, shall be paid an annuity computed as provided in section 4 of this Act."

Mr. RAYFIEL. It gives me pleasure at this time to introduce the author of H. R. 4718, the Honorable Aime J. Forand, of Rhode Island.

STATEMENT OF HON. AIME J. FORAND, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF RHODE ISLAND

Mr. FORAND. Mr. Chairman and gentlemen of the committee, for myself as well as for the many civil-service employees who are interested in the legislation proposed by my bill, H. R. 4718, I want to assure you of our deep appreciation for permitting us to appear at these hearings on legislation which provide retirement benefits for men and women who have given long years of faithful service to our Government.

The bill H. R. 4718 is very short. It contains only nine lines following the enacting clause, but its enactment into law would mean much to those that would be affected by it.

You will note that the bill provides for the addition of a new subsection (e) to section 1 of the Civil Service Retirement Act of May 29, 1930. That new section reads:

Any officer or employee of the United States to whom this Act applies who shall have been voluntarily or involuntarily separated from the service between August 14, 1945, and August 14, 1947, after having rendered at least twenty-five years of service computed under the provisions of section 5 hereof, shall be paid an annuity computed as provided in section 4 of this Act.

The introduction of this bill was prompted by the situation which was created in the city of Newport, R. I., when the Navy Department, in cold blood and without regard to the human element involved, discontinued the manufacture of torpedoes at the Newport Naval Torpedo Station, the oldest torpedo station in the country, and took over from a private employer a war plant at Forest Park, Ill., built with Government funds and now manned by personnel that was blanketed into the civil service, so to speak in the fall of 1945.

And bear in mind right there, in taking in all of these people into the civil service to manufacture torpedoes there, while they are doing that, at Newport, R. I., they are throwing out of employment men who have developed the torpedo and who have developed all of the things that go along with it.

The naval torpedo station at Newport was used as a guinea pig to test out the Navy Department's system of separation in its reduction of personnel, and now that system is being applied to naval establishments throughout the country.

Because I know the Newport situation better than any existing in other parts of the country I shall concentrate on Newport but would

ask you gentlemen of the committee to keep in mind that Newport is only an example of what has happened elsewhere.

I hold here in my hand a list of 231 employees of the Newport Torpedo Station who have been separated since last August up to May 6 of this year. Every one of the men listed on this paper has more than 25 years of service to his credit, yet in most instances he has not reached the age of 55, and thus is not permitted to receive even the reduced annuity provided in the civil-service laws for those who have reached the age of 55. Yet these men find it almost impossible to secure employment with private industry because of their age.

Having a firm belief in their Government and its promises that employees who render faithful service over a period of years will accumulate civil-service benefits that mean retirement funds in their old age, many of these employees had refused offers of jobs paying much higher wages in private industry, and remained with the Government solely because of the promise of this annuity, for which, by the way, they pay. Now they find themselves out on the streets, without income, and having to wait in some cases several years, until they reach the age of 55, before they can begin to draw retirement pay at a reduced rate.

Newport is unique in one respect, and that is that there are no other industries in that area to which these men can go unless they leave their home community—the community in which they themselves have grown up, have married, raised their families, and purchased their own homes.

I have tried every way I know of to convince the Navy Department that whatever torpedo work needs to be done in peacetime should continue to be done at Newport as it was done before the war, and thus give these long-service employees an opportunity to continue to work until such time as they would be entitled to the benefits of the civil service retirement law which has been held out to them as an incentive in the years gone by, but the Navy Department seems determined that even though it must pay approximately 20 cents more per hour to its workmen in Illinois, Newport is to remain closed and the manufacture of torpedoes is to be concentrated at the newly acquired war plant in Forest Park, Ill.

While my bill is intended primarily to take care of these long-service employees who have been involuntarily separated from the service since August 14, 1945, or who may be separated between now and August 14, 1947, it does contain also the word "voluntary." Now the provision for voluntary separation was placed in this bill deliberately. It was done so that the several men who for many years worked as skilled mechanics at high pay and who were involuntarily separated from their position, but who later accepted employment as laborers would not be deprived of the benefits of this legislation provided, due to the fact that by having accepted the low-paying jobs, they are still on the civil-service rolls. The truth of the matter is that they have accepted these low-paying civil service positions in order to keep the wolf from their door, and I believe they should not be penalized for it.

Gentlemen, this is temporary legislation to take care of a situation that has grown out of the war and I believe that it merits very serious consideration.

I am aware of the fact that the Civil Service Commission has rendered an adverse report on this bill. The Commission's statement that "failure to place an age limit on optional retirements would result in a substantial loss to the Government from early retirement of its more efficient servants and the delayed retirement of the less efficient" seems to me not to apply at all to the type of cases that this legislation aims to relieve, because these employees have had no choice as to whether or not they were to be separated.

There are here today several of the employees whose names appear on the list of those who have been separated, and you can pick them right out. I have a small army from Newport here right now. I would appreciate it very much if the committee would hear a few of these men, because I am convinced that to hear their stories may well surprise the committee. I would suggest also that at least one representative from each establishment throughout the Nation be given an opportunity to testify so that the picture might be completed, and so that you would have the full picture throughout the Nation.

Mr. Chairman, I know that there are many witnesses here who wish to be heard, and for that reason, rather than continue further with my statement, I ask unanimous consent to revise and extend the remarks I have just made.

Mr. RAYFIEL. Without objection, it is so ordered.

Mr. FORAND. I thank you for the courtesy extended to me and urge you most sincerely to report favorably H. R. 4718.

Mr. RAYFIEL. I would like to introduce Representative Byrnes of Wisconsin, Representative Vursell of Illinois, and Representative Rees of Kansas, all members of the Civil Service Committee.

Do any of you gentlemen have any questions you would like to ask Mr. Forand?

Mr. VURSELL. I have no questions.

Mr. BYRNES. I wonder why you picked out these particular dates.

Mr. FORAND. We considered that would be the so-called period of reconversion. That is why I stressed the point that this is temporary legislation.

Mr. BYRNES. In other words, you are not proposing this bill as any basic, underlying plan of retirement.

Mr. FORAND. Frankly, I would have liked to do so, but I know we are up against a stone wall, and therefore if we cannot have it applied generally by permanent legislation, I believe that the Government can do something for these men for whom we held out possibility of retirement, and I think that they at least should be taken care of when they are thrown out of their earnings.

Mr. RAYFIEL. You have concluded your statement, Mr. Forand?

Mr. FORAND. Yes, I have, Mr. Chairman. Thank you very much.

Mr. RAYFIEL. We have here this morning the Honorable Herbert E. Macauley, mayor of the city of Newport, R. I. You are invited to make any statement you wish on this legislation.

STATEMENT OF HON. HERBERT E. MACAULEY, MAYOR OF THE CITY OF NEWPORT, R. I.

Mr. MACAULEY. First, Mr. Chairman, I want to thank you for the opportunity to appear here. I favor the passage of H. R. 4718. I am speaking in behalf of the civil-service employees that were at the

torpedo station at Newport and throughout the Nation. I think that very few of them can understand that the America that they knew before VJ-day could so fast disappear after VJ-day.

The Civil Service Commission, or the civil service in itself, I believe, was created to do away with the spoils system; that when a man went into the post office, or any of the other Government services, he was promised after faithful service a pension. What do we find today existing? We find not only in the city of Newport but throughout the United States where the Navy Department had control, or the Army and other branches of the Government, we find that all the faithful employees with 25 years or more of service have been let go, and the wartime employees are being blanketed in in their place.

Now I ask you, Mr. Chairman, if the insurance companies of the United States were to say to you tomorrow or to the people of the Nation who are within 4 months of dying or 2 years of dying, "We are going to return your premiums; we cannot meet that obligation"—why the Congress of the United States would immediately pass legislation forcing them to do so. This is the same kind of a case and we are in the same category. Some men are within 2 years or 3 years of retirement age, and I know of the case of one man who is within 6 months of having had 39 years of service, in that he entered the service at the age of 15. Now he was dismissed, although he was the highest marked machinist in the whole New England area. Faithful service did not save him. The Navy Department said: "We have no work; you must go." Yet at the same time the Navy and the whole United States Government is letting contracts to private concerns while these men are deprived of work at our stations.

I say that in passing this bill, which is temporary legislation, that it would give these people who had 25 years or more of service, irrespective of their age, a chance to receive that which was promised them. If that is not done, how can the Congress, how can the President or anybody else, ask the boys who are at the bench today, working alongside of that old-timer, to stay on in the case of another war or anything else? How can you ask that boy to remain when he sees alongside of him the old man that the Government is now ready to dismiss under the involuntary separation system, which is a mild name for it? How can you ask that boy to continue on in Federal service? How can you keep foreign ideologies from creeping into our Government, if you are not willing to give those men a chance to retire, if the Government is unwilling to fill its obligations to those who were asked to serve us many years ago and have put in many years of faithful service for the Government?

In Newport we have no other industry. I was an ex-torpedoman and have been in the Navy as a youngster, and know that we were the trial horse of the weapon that practically won the war through submarine warfare.

I made an inspection of the Forest Park plant, International Harvester, and the rest of them manufacturing torpedoes. It is not a case of where these men are not necessary. It is a case at Newport of where one torpedo station was closed and another one out in the Midwest was opened up. Some hundreds of people were let go in Newport, people with 25 years of service, while out at Forest Park they made no attempt to move Newport Navy Yard men out there but they—either civil service or the Navy—blanketed in a bunch of wartime workers out there.

Now I ask you what kind of a Commission or what kind of a regulation you have, when you can take and dismiss from the Government men who have 25 years of service and in turn take in in their place those who were in wartime service, the latter being employees who figured that when the war was over they would be dismissed, and rightly so, considering what is happening throughout the country.

In the Brooklyn Navy Yard it is the same thing. There are eight or nine of those employees with whom I went to school as a boy. They were all dismissed and they are above the age that anyone wishes to hire them. Take a man aged 50 or 52. The latter man has 3 years before he can draw any pension on his annuity. If he does retire and he is in one of the higher brackets, the most he receives is \$56 a month. Think of it. The maximum they receive is \$56 a month, whereas the Government forces the private employee to contribute to social security so that when a man arrives at retiring age he can receive \$80 a month. Today these navy-yard workers are being turned loose and you have made no provision for them in social security. The Government does not consider social security, so it is contrary to the preachings of the laws on the books.

We say to these men who are 54 years of age: "You have no chance of social security unless some private employer will take you on, and then at the end of that time you may receive \$36 a month. When these navy-yard workers were dismissed they had no unemployment compensation. Rather, they were forced to use their terminal leave. If they had 60 days or 90 days, Uncle Sam said: "Well, you use that up." In the meantime the automobile concerns and other concerns throughout the United States were forced in our State to pay \$20.75 a week for a period of weeks not to exceed 23 weeks. That is what was paid to men who worked for a private employer, while the Government says to these navy-yard workers: "You get out and walk the streets. If there is no leave coming, that is your trouble; that is your problem, not ours."

I ask and I believe that if temporary legislation such as this bill were enacted, I am sure that it would not be abused. Those men who are separated from the service involuntarily and those who were about to be as the cut-back comes, they should be given a chance after their faithful service to apply for retirement under this bill.

Now at the present time some of these men, due to their age, are forced to draw the annuity down, and in drawing this annuity down in a few years they will have nothing, there will be no retirement. However, they must have this money to live on, due to the fact that if they are over 45, they are practically on the shelf. That is all I have to say, Mr. Chairman.

I also might state, Mr. Chairman, that I had the privilege to testify before the House Ways and Means Committee some time ago on unemployment compensation for Federal workers. I understand that the bill was pigeonholed and it is still there. However, in this room with me today are possibly 11 men who came down to represent some of the 231 from the Brooklyn Navy Yard. Something must be done or these men will be required to turn to some other forum to see that they get a just readjustment of their cases. That is all I have to say.

Mr. RAYFIEL. Thank you very much, Mr. Mayor.

Do any members of the committee wish to ask any questions?

Mr. REES. I would like to ask some questions.

From your statement your criticism is largely against the administration by the Civil Service Commission or the civil service officials in dealing with these employees?

Mr. MACAULEY. That is right, sir.

Mr. REES. As I understand your statement, the Navy Department in your case has dismissed permanent employees from the service and has taken in their place, or kept in their stead, those who came during the wartime period?

Mr. MACAULEY. That was in the case of employees at Forest Park, Ill. That is the specific case that I can cite.

Mr. REES. It is the burden of your complaint, if I may use the word "complaint," that these people have been mistreated under our present law. In other words, a permanent appointee is assumed to have priority over a temporary employee, or what we term a wartime employee.

Mr. McCauley. Yes, sir.

Mr. REES. What you have said in substance is that the temporary employee is kept in service over the permanent employee, although the permanent employee has not been shown to be incompetent or incapable of handling the job. Isn't that about right?

Mr. MACAULEY. That is correct, and I can say in regard to the temporary employee that the orders were juggled and they were changed to suit whoever was handling it. In other words, had the civil-service law and the law of seniority been lived up to, this hearing this morning would have been unnecessary, and these men would still have been on the job and the fellow with 3 years or 4 years would have been out. The consequence was that we developed a system of marking so complicated that the Civil Service Commission itself could not understand it, nor anybody. No mathematician could understand it. I sat with the Navy people and they were trying to explain it and they could not. The consequence was someone in the Civil Service Commission followed the hard and fast rules and cut out the human side of it for which civil service had been created. If they had followed out the true intent of the law, this hearing would not have been necessary. So we have this bill before you, H. R. 4718, which will now readjust the mistakes that have been made.

Now, of course, they said that it was lack of work, yet that was only a part of it, for as long as we had any career employees, they could have been transferred to these new plants that were set up.

Now, as you understand, the employees were set up in three categories. No. 1 was the permanent, certified civil service; No. 2 was the war-service employees hired for the duration of the war and 6 months thereafter; and the third group was the temporary employees hired for a period of year or less. Well, it was assumed that none of the permanent certified civil-service employees would go first, but we would first let go those in the third category. Then would follow the war-service employees. Well, the way it worked, the old-timer who probably refused to shine brass for the quartermaster or the leading man or something else, he was marked down and the other fellow was marked up, and the old-timer got his walking papers.

Mr. REES. So that the burden of your statement really is, boiled down, this; that the Civil Service Commission has failed to function in accordance with the law and with the intent of Congress in the passing of this legislation.

Mr. MACAULEY. You are right, sir.

Mr. REES. I have received a considerable number of complaints from the city of Newport and from other places wherein these employees have complained that they have received the run-around by those in charge of supervision, or at least in authority; and, as you suggested, their places have been taken by men who have come into the service through favoritism or otherwise. Of course, I have never gone into the facts. I have never had any testimony before on the subject matter, but we have your statement. You are the mayor of a large city, and you are in an executive position yourself. Therefore, your statement is a pretty severe indictment against one of our executive agencies in not performing its duties.

Mr. MACAULEY. The facts prove themselves, sir. All you have to do, Mr. Rees, is to get some of the orders that were issued and see the charges. I will cite you the case of a veteran. We have two boys. I have one boy by the name of Kane who came back after serving in the war 3 years on the other side. He had 6 months to go to finish his apprenticeship to become a qualified machinist. When he applied for reinstatement, he was informed that there was no work.

Now if I understand the law, as long as there was work within the New England area, that boy who came back, under the GI bill, should have been put to work. Is that correct?

Mr. REES. That is right.

Mr. MACAULEY. They said that isn't so. That is what is happening now. We are a small city but we sent in the neighborhood of 500 boys into the service, and probably 200 to 300 of them were in the apprenticeship category at the torpedo station or in various trades throughout the Government service. Now under the bill it said, if I run a department store I am supposed to give one of those boys 1 year's employment; and today those boys, they are giving them from 3 months to 4 months of employment and then they are telling them that they are finished and there is no work. They are evading fulfilling their obligation of 1 year, yet they expect the private employer to do what the Government isn't doing.

Mr. REES. I hope and trust we do have what you believe to be a just Government.

Mr. MACAULEY. Yes; that is why I am here, to call attention to the things that the average fellow in the street runs up against but never gets a chance to testify on.

Mr. REES. In line with your statement and in reference to the Veterans' Preference Act, I would have you know that I have introduced legislation that is now pending before this committee whereby I tried to spell out what I think the Congress intended in the Veterans' Preference Act.

Just one more thing. I am interested in your opening statement wherein you said in substance that the veterans who are returning from the service do not find the America today that they expected to find. I am not going to expand on that statement, but it is an interesting one and I am very much in accord.

Mr. MACAULEY. What I said in substance, Mr. Rees, was that these gentlemen in this room know, and those we represent know—we are all surprised that the America we know should so rapidly disappear after VJ-day. Why these men before VJ-day were led to

believe that the civil service as it was created with the annuities, everything they dreamed about and worked for during the war at small wages when they could have been working in private enterprise, the airplane factories, and other industrial plants for larger wages, they stayed with the Government. They not only did it for patriotic reasons, but also with the sense of security, that some day they would be permitted to retire. Well, during the war we went out in the highways and byways with the civil-service people to get people to work, and we got the blind. We had blind people working in Newport; we had crippled people; we had everyone that we could get to come and help win the war, and they did come, sir. We asked these men to stay on the job, and they did, and they helped in training all the new people brought in and they worked long hours.

Then, I say, after VJ-day, with the liquidation or cut-backs that everybody expected and that every American knew would take place—we all knew it could not go on—everybody expected that the permanent, certified civil-service employees would be the last ones to go; whereas in fact they were the ones let go, whether they had 3 months or 3 years, or it did not matter how long they had, they all would have to wait until they were aged 55 to get \$56 a month. In the meantime these men could scratch, not being able to get any of their annuity. They could not withdraw any of it under 5 years without either 30 years of service or 65 years of age; and, of course, they were out and could not get old-age pensions.

Mr. REES. I appreciate your statement. It is very convincing. Again, if I had the time I would like to extend it in a different direction. This is far different from what we expected.

Mr. MACAULEY. Well, if you ask me, I would say one thing: Being a good American, having been born here and my people have lived here for approximately 300 years—I come from one of the oldest families in Brooklyn. The America that I knew before the war and the America that we promised after the war has just not matured. In the America before the war we did not have all the strikes taking place that we have now; all of this is new.

Mr. Chairman, there has developed this uncertainty. Congress could adjourn and we could go home, but in place of that you are sitting here, you are trying to make some kind of an adjustment. You know it is not the same and I know it is not the same, and it cannot be the same until the wrongs that have been done are righted.

Now I am not talking for the fellow on the railroad or anything about that situation. I know nothing about that, but I do know those that I am here in connection with, civil-service employees and ex-civil-service employees, are not in the same frame of mind, or anybody in this room or any man that you pick at random; they will tell you that conditions are worse today and there are men here who have put in 25 years of faithful service and they have probably come down here after borrowing carfare to come to protect their rights. They have found things entirely different from what they were before VJ-day.

Mr. VURSELL. Are there very many war-service employees who have been blanketed in in your particular locality by the juggling or by the interpretation of the civil-service rules, where those employees have taken the positions of these men sitting around this room and others?

Mr. MACAULEY. No, sir; I would say at the present time, as far as

I know, no blanketing in has been done there, but I will give you an illustration.

Mr. VURSELL. That is also an answer to my question. In other words, if this blanketing in has not been done through the civil-service regulations, then these men, the majority of them, would be holding their positions today instead of other war-service employees. Am I to understand that to be your contention?

Mr. MACAULEY. Well, in speaking just in the one case, I will have to bring up the case. At Forest Park, I can only say that at Forest Park we assume they have 500 employees, and at the Newport Torpedo Station they were going to let 500 go. Now under civil-service regulations the humane thing to have done would have been to put a sign on the bulletin board inviting men that worked at the Newport Torpedo Station to transfer to the Illinois factory, and if they did not take it why it was then up to them. That was done later on.

I sat with the Secretary of the Navy twice. On the 10th day of December the Navy took over what was constructed at that time, which was construed to be a wartime plant. Now I am not saying with the inventions of the use of atomic energy that the torpedo is going to be a future implement of war. For myself, I think that it has outlived its usefulness. However, the Government is still using equipment and they are letting out contracts for the manufacture of various little parts that are going to be used by the Government. If we are going to have a 1,000-ship Navy, we are going to need quite a few tools, and so on and so forth.

Well I do not think it was your intention, if you were in Congress at the time, to create a plant out at Forest Park, Ill., today, and to use that in place of a plant for which you appropriated funds for the last 100 years.

Mr. VURSELL. I think you are right on that.

Mr. MACAULEY. It was the way things were done. If there was no more work on torpedoes, then why not put us in the manufacture of some other parts, rather than the Government letting it out to private individuals? We know of one case where there was drafting to be done. Well, now, we had quite a staff of men in our drafting room at the time, yet they put out a private contract for drafting. Well I just cannot see where anything is saved and I wonder if it isn't a case of one politician trying to do the other fellow a favor.

Mr. RAYFIEL. Are there any further questions, Mr. Vursell?

Mr. VURSELL. I want to say that confusion seems to be abroad in the land and I am confused in regard to what the gentleman has been telling us. I shall have to hear the other side of the case before I make up my mind, if there is another side.

Mr. MACAULEY. They always say that there are two sides to a story and I believe that this November everybody will have a chance to tell their side. [Applause.]

Mr. VURSELL. I think you are about right.

Mr. RAYFIEL. Mr. Macauley, you appear to be practicing very early. However, under our system of Government you have an opportunity to begin early.

Mr. MACAULEY. It is the greatest system in the world and we wish to keep it. I hope it never changes. That is why I am down here today, to see that justice is done and see that the wrongs are righted and that conditions are corrected.

Mr. RAYFIEL. I think that position is shared by everybody in the room.

Mr. Byrnes, have you any questions?

Mr. BYRNES. No questions.

Mr. RAYFIEL. I believe that we are now functioning illegally in that the rules provide that we may not conduct any hearings or hold any committee meetings while the House is actually in session without explicit permission. Is that your view and opinion?

Mr. REES. I do not believe that there would be any objection to running on.

Mr. RAYFIEL. That does not invalidate any of the statements that you have made.

Mr. REES. I suggest, if it is agreeable, that we go on and hear these people.

Mr. MACAULEY. Mr. Chairman, I would like to submit for the record a letter that I sent to various Senators and Congressmen under date of January 26, 1946. I had this printed in various newspapers. It is as follows:

THE FOLLOWING LETTER WAS SENT BY MAYOR MACAULEY TO SENATOR GREEN, SENATOR GERRY, CONGRESSMEN FORAND, FOGARTY, MARTIN, AND VINSON

JANUARY 26, 1946.

Senator DAVID I. WALSH,
Chairman, Naval Affairs Committee,
Senate Office Building, Washington, D. C.

DEAR SENATOR WALSH: As mayor of the city of Newport, I would like to call your attention again to the plight that a good many of the faithful employees of the United States Government with from 20 years to 41 years of service find themselves.

Fully aware that the termination of the war called for cut-backs and as mayor willing to accept the same in behalf of a patriotic city steeped with naval tradition and proud of the fact, it is impossible to believe that the America we all knew should so fast disappear after VJ-day. Hundreds of skilled mechanics are walking our streets while the Government still continues to let out contracts to private concerns for work which, in all its various types can be carried on at the Newport Naval Torpedo Station. We are fully equipped with the personnel and machinery to do any type of work that may be sent here other than the drydocking of ships.

I presumed it was reasonable to believe that the Civil Service Commission, created to do away with the spoils system, was intended to assure a man of his pension if his conduct and skill warranted the same. Many of the men walking the streets of Newport are within 3 years of receiving their pension as just compensation for faithful service as required but now they have nothing to show but notice of involuntary separation from the civil service.

There are numerous types of foreign ideologies creeping into our form of Government, this being brought about by the inhuman way that the American working-man, in civil service, is being discriminated against. Surely you, in your high office of trust and esteem, will be able to call to the attention of our President the necessity of readjustment not only in the city of Newport, which is the hardest hit, but in the whole United States in general.

These men, of whom I have been speaking, though belonging to various types of unions, have never in their long and faithful service struck against management in spite of what they may have been asked to do.

In closing may I say that a readjustment is a necessity if the American way of life for all men is to be continued. Again may I repeat that the manufacture of some commodity must be placed by the Government at the naval torpedo station in Newport where the most skilled mechanics and labor in the country are idle.

Very truly yours,

HERBERT E. MACAULEY,
Mayor of the city of Newport, R. I.

In collaboration with the enclosed letter, I bring to your attention the case of Raymond M. Leary, machinist, No. 1873 of shop 97.

Mr. Leary was first employed in civil service at the naval torpedo station, Newport, on October 27, 1906. At the present time Mr. Leary holds the highest mark for machinist in the Narragansett Bay area. He has had no marks against his record for the past 39 years and 3 months, either for sick leave or for any form of delinquency.

The above facts and record did not save Mr. Leary from involuntary separation from the Government service, though his is one of outstanding ability. At present, Mr. Leary is 54 years of age and it will be 6 months before he will be permitted to apply for a partial pension under civil-service regulation. In the meantime, Mr. Leary can walk the street searching for employment that does not exist in Newport. Upon applying for pension after 39 years and 3 months of outstanding service and due to enforced involuntary separation, Mr. Leary will receive from the Federal Government a pension of \$56 a month.

The above-mentioned man is mentally and physically able to carry on as a first class machinist and was offered no other employment, although WSA employees are still being carried on the rolls at his rating.

There are hundreds of Mr. Learys in Newport today and while the Government talks of everyone owning their own home and is encouraging everyone to build, these men stand to lose their present homes because of foreclosure.

I will be glad to bring Mr. Leary to Washington as exhibit A of a rank injustice perpetuated upon Federal employees.

HERBERT E. MACAULEY, *Mayor*.

Mr. RAYFIEL. The next witness will be Henry G. Bromley, secretary of the Federal Employees Retirement Association, Narragansett Bay area. Incidentally, Rhode Island is the smallest State and has had three speakers make a contribution to this hearing thus far.

STATEMENT OF HENRY G. BROMLEY, SECRETARY, FEDERAL EMPLOYEES RETIREMENT ASSOCIATION, NARRAGANSETT BAY AREA

Mr. BROMLEY. To the honorable members of the House Civil Service Committee, Mr. Chairman, and gentlemen:

The Federal Employees Retirement Association of the Narragansett Bay area submits this brief in support of H. R. 4718, in an effort to alleviate and partially rectify the tragic injustices caused by involuntary separation of career civil service employees having one quarter of a century or more service with the United States Government.

To witness your fellow employee, who has given the best years of his life to the service, to see his mental anguish, to bear with him while his world was toppled about him, to see strong, viril, and healthy men break down completely, and in one case die of a broken heart, all brought about by their impending separation, is not a pleasant picture to see or remember. At the close of his work day he goes to his home and his problems of the day are built up to a greater degree with the breaking of his tragic news to his wife and family. What can be done to free this man from the specter of fear and want?

Employees who have made a lifetime career in employment by their Government have experienced the wiping out of 25, 30, 35, and up to 40 years of service by the receipt of a notice of separation. We submit, as appendix A, a list of career employees. Please note their several ages and years of service. We contend that these employees had the right to expect, after these years of service, to a complete, a full, and normal retirement under the existing retirement act.

But the aims and objectives of most of these employees vanished into thin air overnight.

For 25 years or more these employees have poured out their best efforts to further the protection of their country. Day after day, week after week, from months to years they have completed their appointed tasks as assigned. We need but to remember the letters of commendation, the Army and Navy "E" pennant with their several stars for each 6 months of additional service, that flies over their shop, to realize that they have contributed their best at a time when services were required most.

As we pass the age of 45, employment in private industry is difficult and often impossible to obtain, due to age limitations set by private manufacturers. In fact, prior to Pearl Harbor the Navy Department itself had an age limit of 48 years of age.

What faith in civil service can anyone hold when they review long-term employees being released in the declining years of their life? Men with 25 to 40 years of service separated, without any hope of a transfer to a comparable shop or position. The West Putnam report recommends that they be transferred to some shop, but not to Forest Park where torpedoes are made. Why not? In one case long-term employees are separated with no hope to complete their work to a normal retirement. In the other case, short-term, very short, employees doing the same work are blanketed into civil service at Forest Park, Ill. Consider that the majority of these men are not entitled to any annuity for 1 to 7 years after their separation. Another percentage are entitled to from 56 to 66 percent of their full annuity that they normally would receive at 60 or 62. In one case the employee receives nothing, in the other case barely enough to exist upon.

We quote in part Secretary Forrestal's letter to Congressman Vinson under date of February 25, 1946:

Only machinists holding a serviceman's priority or having a veteran's preference are now employed at the naval torpedo station here, often resulting in hardships to civilian service workers of long standing, particularly in the case of the employees at Newport.

We believe this to be sound judgment in providing for these returned servicemen, but we also contend that the provision should be made for the separated career employee of 25 or more years of service whom these veterans have displaced.

Since August 31, 1945, separated employees of the torpedo station over 50 years of age have found it very difficult to obtain employment while younger men have received jobs in the same shops. While these men have not been told that they are over age, they have received evasive answers in response to their pleas for employment.

We have attached herewith a few advertisements taken from leading newspapers, all with an age limit, taken from some of the leading concerns in the United States, in substantiation of our statement made above as appendix B.

We have two advertisements placed in the Boston Post of December 3, 1945, by the American Can Co. These ads read as follows:

Automatic press mechanic. Steady position with good pay for a man between 25 and 45. Preferably a man with some experience with tin-can equipment.

The second ad reads:

Production mechanic. Steady position with good pay for a man between 25 and 45. Preferably a man with some experience with fiber-can equipment.

This highly specialized technical ordnance work, as developed at the torpedo station through the long years in the past, does not permit the acquisition of knowledge or skill that would be in demand by private industry.

Many civic and State employees' retirement systems permit retirement after 25 years of service. Army and Navy enlisted personnel are permitted more liberal retirement options, in that they can receive an annuity for 16 years up to 30 years of service without any deductions from their basic pay. We concur in the liberality of these systems.

After the fast fleeting days of youth, one approaches his later years with the thoughts of financial security uppermost in his mind. To be separated from one's livelihood at a point where apparent security is within his grasp has, needless to say, a depressing effect on the individual, his family, and his community.

His home must be broker, not an easy thing, and the wage earner must seek outside employment, joining the ever-increasing migratory army of over-age unemployed. Homes purchased during earlier years with the belief of community stability must be sold or otherwise disposed of. Families are separated, temporarily at least, and education of children interrupted, with the accompanying distressing effect on the economic life of the community.

The Federal Employees Retirement Association believes that the enactment of H. R. 4718 will, in large measure, relieve the conditions outlined in this petition. Be assured, gentlemen, that a favorable report will be greatly appreciated by present and former long-term career employees of the naval torpedo station who comprise the membership of this association.

(The exhibits above referred to are as follows:)

APPENDIX A

Federal Employees Retirement Association, Narragansett Bay Area

GOVERNMENT SERVICE RECORD OF SEPARATED MEMBERS AS OF MAY 6, 1946

Name	Age	Length of service	Name	Age	Length of service
Allan, John S.....		30 years.	Corrigan, John T.....	42	24 years.
Allan, William.....		32 years.	Crowell, Benjamin.....	56	35 years.
Allen, Henry D.....	59	28 years 9 months.	Curtin, Frank.....	54	27 years 9 months.
Anderson, Raulo.....	51	27 years 8 months.	Danis, Henry J.....		Do.
Ashton, Squire.....	58	29 years.	Davidson, Robert W.....	53	30 years.
Ashworth, Albert.....	57	28 years 9 months.	DeCastro, W. S.....	56	28 years.
Banigan, James.....	55	28 years 6 months.	DeCoursey, Samuel.....	54	32 years 3 months.
Barnes, Harold.....	54	28 years 11 months.	DeYoung, George R.....	55	32 years.
Baysdoffer, John.....	54	27 years.	Donahue, Henry J.....		Do.
Beattie, James M.....	43	26 years 2 months.	Dueharre, Narcissi.....		29 years.
Biglietti, Alexander M.....	58	35 years.	Dwyer, Francis J.....	48	30 years 1 month.
Bixby, Myles F.....	57	29 years.	Easton, James C.....	58	30 years.
Bracey, Claire W.....	50	28 years.	Eccleston, Henry L.....	57	31 years.
Bromley, Henry G.....	55	30 years 8 months.	Elder, John.....	52	29 years.
Brynes, Thomas H.....		35 years 3 months.	Faerber, Carl.....	55	36 years 3 months.
Burn, James M.....	42	27 years 7 months.	Fagin, James.....	43	27 years 6 months.
Butler, Louis J.....	48	29 years.	Ferrazzoli, Dominic.....	56	28 years 9 months.
Butler, Peirre J.....	47	Do.	Finn, Thomas J.....	45	30 years.
Callihan, Thomas.....	47	29 years 6 months.	Fitzpatrick, Charles W.....	54	35 years 4 months.
Carey, Joseph.....	58	27 years 9 months.	Fowler, George S.....	55	28 years 3 months.
Clarke, William.....	57	29 years 1 month.	Fogerty, Edward.....	49	29 years 6 months.
Coggeshall, Vincent.....	53	30 years 4 months.	Frazier, George H.....	48	30 years.
Collins, John F.....	47	31 years.	Gerrie, William.....	54	36 years 6 months.
Collins, Michael E.....	53	35 years 6 months.	Gilman, Alfred E.....	56	33 years.
Conley, Clement.....	54		Gilman, Charles E.....	52	30 years 3 months.
Cooper, Robert.....	48	29 years 1 month.	Gladding, Thomas L.....	53	34 years.

APPENDIX A—Continued

Federal Employees Retirement Association, Narragansett Bay Area—Continued

GOVERNMENT SERVICE RECORD OF SEPARATED MEMBERS AS OF MAY 6, 1946—Con.

Name	Age	Length of service	Name	Age	Length of service
Goddard, Roy W.	53	36 years.	Newbury, George E.	45	27 years.
Greene, Chester W.	51	29 years 6 months.	Ninimo, William.	49	Do.
Greene, Benjamin.	62	31 years 4 months.	Northrup, Charles H.	-----	21 years 7 months.
Hackett, Joseph.	45	24 years.	MaeBeth, John A.	52	27 years.
Halloek, Albert J.	55	30 years.	McCarthy, Charles E.	47	23 years.
Harrington, Charles J.	44	27 years 6 months.	McGann, Joseph F.	46	29 years.
Harkin, William R.	43	27 years 7 months.	McGrath, Richard.	54	34 years.
Haslam, Thomas.	54	29 years.	McNally, Benjamin R.	58	34 years.
Hathaway, Byron E.	50	33 years.	McNaught, Samuel.	59	27 years 10 months.
Hatton, Harold O.	52	27 years 9 months.	MacSparren, Howard.	50	26 years 10 months.
Healy, John P.	50	28 years 1 month.	Oakley, John.	50	30 years 6 months.
Heffernan, William F.	54	37 years.	Olaynack, Joseph W.	53	27 years 6 months.
Heywood, Joseph.	54	28 years.	Olson, Joel R.	53	32 years.
Hickey, Charles.	52	35 years 6 months.	Ouellette, Ernest T.	49	27 years 10 months.
Hickey, James J.	56	38 years.	Preece, William F.	52	30 years 1 month.
Hole, George.	47	30 years 3 months.	Rabatin, Rudolph.	58	27 years 2 months.
Honnen, William H.	58	35 years.	Ramsay, John A.	55	31 years.
Howland, Ray.	55	28 years 8 months.	Reardon, John.	43	20 years.
Huppee, Louis.	53	34 years 6 months.	Reilly, David A.	54	34 years 2 months.
Hussey, Michael.	48	34 years 10 months.	Reiss, Frank.	54	32 years 8 months.
Innes, Wm. H.	56	35 years.	Riek, Albert.	54	29 years.
Irons, Gustaf F.	50	26 years 9 months.	Segerson, John J.	49	30 years 10 months.
Jackson, Joseph J.	49	27 years.	Sheeky, John M.	44	24 years.
James, Harry.	51	35 years 7 months.	Sheehan, Paul.	49	32 years.
Johnson, Olaf S.	62	30 years.	Short, Thomas D.	59	28 years 10 months.
Jones, Leslie A. T.	44	25 years.	Smith, Everett, W.	52	36 years.
Jorgenson, John E.	57	32 years.	Smith, Joseph.	42	25 years 6 months.
Kane, Arthur L.	57	34 years.	Smith, Ralph.	42	17 years.
Kebew, Wm.	41	24 years 2 months.	Spence, Raymond.	43	26 years.
Kelly, Henry J.	53	28 years.	Staats, Chester.	51	30 years 9 months.
Kelley, William A.	49	17 years.	Stenholm, Theodore M.	49	30 years 6 months.
Kerins, Thomas F.	54	35 years 10 months.	Sullivan, Cornelius.	55	33 years.
Kerr, Charles.	49	28 years.	Sullivan, David J.	44	29 years 3 months.
Knowe, F.	44	26 years.	Sullivan, Francis J.	50	34 years 6 months.
Knowles, Richard R.	50	23 years.	Sullivan, Frank D.	51	32 years 7 months.
Lang, Eugene F.	57	30 years.	Sullivan, John J.	55	28 years.
Leary, Raymond.	54	39 years 3 months.	Sullivan, John J.	47	23 years.
Lees, John.	56	30 years 7 months.	Sullivan, Joseph.	47	28 years 6 months.
Levitte, Ernest P.	53	35 years.	Sullivan, Peter F.	52	34 years 9 months.
Lewis, William H.	52	30 years.	Sullivan, Timothy.	53	34 years 6 months.
Libby, T. C.	57	Do.	Sullivan, William H.	51	34 years.
Lightbody, Carl.	56	28 years.	Sweet, William.	-----	26 years 7 months.
Madden, James.	40	20 years.	Taylor, Walter.	-----	29 years.
Maddeaux, John M.	58	26 years.	Tetrault, Amos.	57	34 years.
Maguire, John W.	53	28 years.	Thompson, Gilbert D.	55	35 years 1 month.
Mahoney, Dennis R.	49	27 years 2 months.	Thompson, William B.	51	34 years.
Maine, Harold.	58	30 years 7 months.	Twomey, Joseph M.	58	31 years.
Marshall, John H.	52	29 years.	Vargas, Manuel J.	43	26 years 2 months.
Martin, John.	44	27 years 6 months.	Walling, Robert M.	56	31 years.
Mikkelsen, Alfred N.	56	29 years 9 months.	Walton, Fred G.	61	29 years 3 months.
Miller, Charles A.	55	27 years 5 months.	Ward, Robert.	47	29 years 5 months.
Moran, Charles E.	47	25 years 11 months.	Whipp, Allen.	53	31 years.
Morgan, Manuel.	43	27 years 9 months.	Wholey, Timothy.	51	27 years.
Morinho, Manuel.	44	26 years.	Williams, Arthur A.	54	29 years 1 month.
Murphy, James A.	51	30 years.	Willis, Henry.	49	28 years.
Murphy, John W.	52	34 years.	Winters, Cornelius F.	52	36 years 6 months.
Nelson, Eric.	64	28 years.	Winters, John.	44	26 years.

GOVERNMENT SERVICE RECORD OF MEMBERS NOT SEPARATED AS OF MAY 6, 1946

Adams, Herbert.	52	29 years 7 months.	Fallon, Andrew W.	53	28 years.
Banks, Harold S.	56	32 years.	Foley, Edward B.	52	30 years.
Barker, Oliver.	49	30 years 6 months.	Gagon, Charles.	-----	29 years 6 months.
Bloomfield, William J.	49	28 years 4 months.	Gilbert, Leo L.	59	30 years 8 months.
Braman, William P.	48	30 years 4 months.	Girouard, Lucien A.	-----	25 years.
Bridgewater, Charles.	55	37 years.	Hall, Joseph.	45	26 years.
Cardoza, George.	50	29 years 6 months.	Halliday, Arthur J.	55	36 years 3 months.
Carriere, George.	50	28 years 9 months.	Hanson, Fred A.	63	27 years 9 months.
Chapman, James.	54	27 years 1 month.	Hegameyer, William S.	54	30 years 1 month.
Conway, Henry F.	43	26 years.	Honnen, J.	54	35 years.
Crowell, Ernest.	-----	32 years.	Joyce, Frank.	59	29 years.
Curley, Clarence.	48	28 years.	Karoli, Edward.	53	30 years 11 months.
Degan, John J.	55	34 years.	Kaupman, William.	49	29 years.
Donovan, Timothy L.	59	30 years.	Kesson, Henry.	48	27 years.
Dring, John.	51	31 years 10 months.	Larson, Edward A.	44	Do.
Edward, Alfred W.	49	29 years 10 months.	Lyons, George.	55	27 years 6 months.
Erieson, Frank W.	50	29 years 6 months.	Mahoney, William J.	48	Do.
Eseubar, Henry.	51	28 years 6 months.	Matley, George.	40	24 years 2 months.

APPENDIX A—Continued

*Federal Employees Retirement Association, Narragansett Bay Area—Continued*GOVERNMENT SERVICE RECORD OF MEMBERS NOT SEPARATED AS OF MAY 6, 1946—
Continued

Name	Age	Length of service	Name	Age	Length of service
McCarthy, James	49	27 years 6 months.	Shea, Michael J.	56	33 years 5 months.
McGovern, James	50	23 years 9 months.	Slade, Kirwin C.	53	29 years.
McSpine, T.	41	24 years.	Smith, Lawrence		28 years.
Meehan, Charles P.	57	33 years 6 months.	Smith, Raymond L.	49	29 years 4 months.
Miller, William K.	59	33 years.	Smoot, Philip	53	28 years.
Mitchell, Jasper C.	52	26 years.	Stewart, James F.	47	27 years 2 months.
Moriarty, Thomas J.	52	37 years.	Thompson, John W.	54	36 years.
Mulholland, Dana J.	45	27 years.	Tierney, J. J.	54	23 years 8 months.
Murphy, Leon	60	29 years.	Watts, Charles	52	31 years.
O'Brien, Edmund V.	52	28 years.	Weibust, Frithiof A.	60	27 years.
O'Brien, John	53	34 years 6 months.	White, William P.	48	31 years.
O'Loughlin, Thomas H.	51	29 years 2 months.	Wilson, Robert	55	32 years.
Peckham, Jethro H.	57	37 years 6 months.	Wood, Ralph A.	51	27 years 9 months.
Peilice, Louis J.	44	28 years.	Young, Louis E.	50	27 years 11 months.
Ring, George A.	50	30 years 7 months.			

APPENDIX B

FEDERAL EMPLOYEES RETIREMENT ASSOCIATION, NARRAGANSETT BAY AREA

MATERIALS HANDLING ENGINEERS—SPECIALISTS

To effect cost reduction and safety improvements in materials handling.

Previous experience in material handling applications is essential. Experience should include work on screw, belt, and roller conveyors, fork and lift trucks, tractors, etc.

Applicants should be between 28–40 years of age with engineering degree or equivalent and willing to travel.

Excellent opportunity for qualified men.

E. I. DU PONT DE NEMOURS & Co. (INC.)

Personnel Division

Wilmington 98, Delaware

INDUSTRIAL ENGINEER wanted by national mail orderhouse to handle major projects. Under 45 preferred. Must have at least 5 years experience. Mail order or assembly line background desirable. Unusual opportunity for qualified engineer. Please outline employment for past 10 years with names of immediate superiors as reference. P-452. Factory Management & Maintenance, 520 N. Michigan Ave., Chicago 11, Ill.

ASSISTANT BOOKKEEPER

Experience helpful but not necessary. Age under 35. Pleasant working conditions, 9 to 5:30, 5½-day week, \$24.

Kenmore 8640

[Boston Post, December 3, 1945]

AUTOMATIC PRESS MECHANIC

Steady position with good pay for a man between 25 and 45. Preferably a man with some experience with tin can equipment.

AMERICAN CAN Co.

31 Binford St., South Boston

(Off A St.)

WANTED—SUPERINTENDENT OF POWER, 28-35. Mechanical or electrical graduate. Must have previous experience in power plant maintenance and operation, and the design and construction of power distribution systems, Location: India. State age, experience, marital status, details of education, present salary and salary expected. Send photograph.

P-412, FACTORY MANAGEMENT & MAINT.
330 West Forty-second Street, New York

Wanted

PRODUCTION CONTROL SUPERVISOR

Age 30-40, thoroughly experienced in production planning, scheduling and control methods; machining and assembly of heavy duty machinery. Locality, San Francisco Bay. Give experience, education, salary desired and references, Address

P-449, FACTORY MANAGEMENT & MAINTENANCE
68 Post Street, San Francisco 4, Calif.

CARPENTER, factory maintenance, age 22-35, familiar with power saws, planers, etc. Veteran with military experience in carpentry preferred. Person hired will receive training in locksmithing. In reply give full particulars. Box 8531, Journal.

[Boston Post, December 3, 1945]

PRODUCTION MECHANIC

Steady position with good pay for a man between 25 and 45. Preferably a man with some experience with fibre can equipment.

AMERICAN CAN Co.
31 Binford Street, South Boston
(Off A St.)

STENOGRAPHERS

Experienced, age 28 to 40.

WALTHAM WATCH Co.
Crescent Street, Waltham

Chase School for

PHOTOGRAPHIC PRINTERS

Women 18 to 35

Applications must be filed no later than Saturday, February 23. For full details inquire at Cedric Chase Photographic Laboratories, 53 Moody Street, Waltham.

Wal. 4720

MAN, 20 to 30 years old, sober, neat, intelligent, restaurant worker, combination counter man and steward for mobile canteen; side duties, good opportunity. Chance for advancement; profit sharing plan for right party. Box 8082, Journal.

Mr. RAYFIEL. Mr. Bromley, can you tell us how many members you are representing?

Mr. BROMLEY. Two hundred and fifty-five, sir.

Mr. REES. And how many have been discharged that you feel have been discharged unnecessarily and in violation of the civil service rules?

Mr. BROMLEY. I would not say, sir, that they had been discharged unnecessarily or in violation of the civil service rules, but there have been 166, as far as I have a record of our members, who have been separated.

Mr. REES. That you do not think should have been separated. Is that right?

Mr. BROMLEY. I would have to qualify it. I could not say yes or no. Let me state it this way. I was separated in December and I would have been willing to take a position anywhere in the United States if it had been offered me—if you would consider that separated, because you would become separated.

Mr. REES. I am not so considering it.

Mr. RAYFIEL. Have you anything else to say, Mr. Bromley?

Mr. BROMLEY. That is all. I am accompanied by Chester Staats, president of the association.

Mr. RAYFIEL. Thank you.

We will now hear from the Honorable John E. Fogarty, a Representative in Congress from the State of Rhode Island.

STATEMENT OF HON. JOHN E. FOGARTY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF RHODE ISLAND

Mr. FOGARTY. Mr. Chairman, I appreciate the opportunity to be here this morning, and I wish to speak in favor of the Forand bill.

I might say that Congressman Forand has been working very diligently on this bill for the last 2 or 3 months, and I intend to do everything I possibly can to help him in the passage of the bill.

In urging a favorable report on Mr. Forand's proposal I do not consider that I am asking for special favors for any group of Federal employees. I am sincere in saying to you gentlemen that this proposal of Mr. Forand merely contemplates doing ordinary justice to men who have given the best years of their lives to the service of the American people, relying on the assurance that such service would be appreciated.

Strongly as I feel about the situation I am not going into the facts surrounding the action of the Navy Department in Newport, R. I. We are endeavoring to cover that situation elsewhere. However, I have to say that the drastic curtailment of operations at the naval torpedo station in Newport has caused acute hardship to many men who have been faithful and loyal employees of the Navy for many years. They are entitled, in simple justice, to special consideration, and it is this consideration which they will receive if the House will act favorably on the measure you gentlemen have before you this morning.

There are many men who have worked for the Navy in Newport for periods ranging from 10 to 50 years. They are now thrown out of work. We are asking for consideration for those men who have been employed for 25 years or more. They can find help nowhere else.

We are all familiar with the fact that many skilled mechanics went to work for the Federal Government at wages lower than were being

paid in private industry. Men did this because of the promise of security that was an integral part of Federal employment. They were willing to make the sacrifice in wages in order to obtain the guaranteed employment plus the security that came from knowing they would receive a pension after a prescribed period of time. Now these men are forced to remain idle through no fault of their own. Their employment, their retirement income are denied them. All they bargained for is taken away and they have no remedy.

The men who worked at the torpedo station were experts in their line. They bought homes in the city of Newport. They raised families there and sent their children to Newport's schools. They are the men who have formed the backbone of Newport's economic life.

They are now either past 50 or rapidly approaching that age. They cannot tear up their roots and tramp on to new cities seeking employment. There is no other industry in Newport which can provide them with employment.

It has been said that the Navy offered employment to these men at other naval stations. I have had some personal experience in this respect. It is a fact, borne out by the naval appropriation bill now before the House, that all naval establishments have been curtailed considerably. Each community in which these naval establishments were located has presented its own peculiar problems. It is silly to think that these men could readily find employment in any naval facility. Even if all were willing to make the very great sacrifice involved there were not sufficient jobs to go around. Some of the opportunities offered—on paper—were in such places as Puerto Rico. When inquiries were made it was learned that men on the ground, men with intimate knowledge of the local working conditions, climate, etc., were being employed to the extent that no vacancies remained.

Under the geographical area ruling, intended to protect the seniority of old-time employees, it has developed that men with many years of faithful service in the Government must be displaced if employment is to be found for these men cast adrift at Newport. Even then—it is but a question of degree. A man with many years of good service must be cut loose in order to find a job for another man with slightly more good service. This is expediency, not justice.

There are men who worked at peculiar—in the sense of unusual—types of trades. An example is mechanical operations which involve handling explosives. These men were skilled in their trades and rendered valuable service to their Government. But they know no other trade and nowhere else is there any one to provide them with employment.

These men have become liabilities of the Government, and I feel that they have the right to look to the Congress for rescue. They are not seeking something for nothing. In all fairness, they bargained for something which is being denied them. I grant it is an unusual situation brought about by the curtailment of operations as a result of the ending of the war. But, because it is an unusual situation I feel we are justified asking an unusual method of providing a remedy. We are obliged to keep the word of the Federal Government to these faithful employees.

The passage of this measure will do justice to honorable men and will guarantee to all Federal employees that their Government will not shirk its duties to them.

It will do injustice to no one. It might be argued that others work a longer time than 25 years before being entitled to retirement. This proposal does not hurt such people. The skilled artisans of Newport would gladly, yes eagerly, go on working for another 10 years in order to get the retirement for which they bargained when they entered the employ of the Government 25 years ago. The trouble is that there is no employment for them.

They do not want to go on the beach; they want to work. The choice has been taken away from them. They should not be cast adrift. Their years of faithful service should not be ignored. They are entitled to respect. They are entitled to fair play. That is all that is asked. This measure provides just that and no more.

Mr. RAYFIEL. Thank you.

We will now hear from Mr. Disbrow, national representative of the Retirement Federation of Civil Service Employees of Navy Yards, Arsenals, and Naval Stations.

STATEMENT OF WALTER L. DISBROW, NATIONAL REPRESENTATIVE, RETIREMENT FEDERATION OF CIVIL SERVICE EMPLOYEES OF NAVY YARDS, ARSENALS, AND NAVAL STATIONS

Mr. DISBROW. Gentlemen of the Civil Service Committee of the House: My name is Walter L. Disbrow, and I represent the Retirement Federation of Civil Service Employees of Navy Yards, Arsenals and Naval Stations, and our organization respectfully urges early and favorable action on H. R. 4718, the Forand bill, now before your committee.

The companion bill, S. 1422 was introduced by Senator Green, in September 1945 and at the request of the Newport Torpedo Employees and our organization, Congressman Forand introduced the bill now under consideration in November 1945.

The bills provide for voluntary and involuntary retirement after 25 years of service and are intended to alleviate to some extent the discharges and reduction in forces that have taken place and are still taking place and from present indications will continue to take place for some time to come, under the rules and laws now in effect.

Newport Torpedo Station was amongst the first to be affected and as a result of the curtailment of activities there, many employees with 25 or more years of service were laid off, many who had spent all or the major portion of their working lives in this establishment. Newport, like several other Naval and Army establishments has practically no other industries, the towns having been built up around the Government activities and to discharge these employees with long periods of service, who have bought their homes and raised their families in these vicinities, is a hardship that can be aided to some extent by the passage of this bill, allowing them to retire.

I desire to call the committee's attention to the fact that the Senate committee favorably reported a bill in 1944 providing for 30 years optional retirement after 30 years of service with a stipulated time period provision and it is my belief that the condition anticipated at that time by some members of the Senate committee are with us now even more severe, due to application of laws and rules now in effect. The hearings on "1371, the bill mentioned above, bears out

this thought. In the report on this bill, Senate Report No. 975, is quoted the following:

The civilian personnel of the Federal Government has reached or will, within a short period of time, reach its peak in numerical strength, and as the needs of the service diminish there will necessarily be reductions in force. This reduction will, of course, be accelerated with the cessation of hostilities.

The Government will also be faced with the necessity of placing returning veterans in suitable positions, especially those former employees who have absolutely reemployment rights under existing law, at a time when there will be fewer available positions to be filled.

Your committee feels that this reduction in force should be effected with the least possible hardship to the employees involved. It believes that this problem can be solved in part through the medium of earlier retirement than is permitted under existing law. The transition from active duty to retired status would produce less of an economic shock in the case of employees with long years of service than would be the case if they were forced out without sufficient income to maintain a reasonable standard of living.

Your committee, therefore, proposes to alleviate this situation by permitting retirement without reduction in annuity by all employees who have rendered at least 30 years of service, and who are employed in agencies where reductions in personnel will be necessary.

It is not felt that such legislation should be permanent in character, but should be limited to the demobilization period.

It is not contemplated that the enactment of this bill will entail any large additional cost to the Government, since practically all of the employees who will be affected thereby would be entitled to annuity benefits if separated by reduction in force. Moreover, among those who would be eligible to apply for annuity under the proposed amendment are those employees already entitled to annuity under other provisions of existing law.

The above-quoted report was of June 1944, and events since VJ-day have more than justified the committee's opinion as to the conditions that would exist after a termination of hostilities and are becoming more and more aggravated as time goes on.

I desire to call to the committee's attention also the statement by the now Secretary of the Treasury that the American people will have to learn to live 50 percent better. This can not be done by forcing many old time Government employees to move from their established homes to seek employment in other sections of the country.

The Naval Affairs Committee of the House recognizes this as indicated by their unanimous report on H. R. 5520, Report No. 2010—section 8—providing for retirement privileges after 25 years of service if involuntarily separated.

Section 8 reads as follows:

Section 8 makes it possible for an employee covered by this act, who has rendered not less than 25 years of service and is involuntarily separated from his employment to be paid his annuity under the Civil Service Retirement Act of May 29, 1930, as amended. The purpose of this section is again to assist in taking care of the faithful, old-time employee, whose experience counted for so much in our munition establishments and for whom there is no longer any job.

In the Naval Committee's report, mentioned above, in their summary is the following:

SUMMARY

The committee, which approved H. R. #5520 by unanimous vote believes that this bill offers a sound remedy for the universal complaint of the Government's industrial wage earners against the present efficiency system.

While the War and Navy Departments are reluctant to see a seniority system go into effect in the establishments under their control, the committee does not share their misgivings. The committee is moved by the successful experience of the great railroads of this country, operating under a strict seniority system and

by the pleas of the representatives of the thousands of mechanical employees involved.

Since the employees, under existing law, are already recognized as being entitled to pay scales prevailing in private industry for the same kind of work, it is logical to extend to them the same kind of protection which the railroad workers have, which many other employees in basic industries have, and from which Congress itself derives much of the smoothness of its workings and protects the standing of its members.

As the committee knows from days of testimony, taken from representatives from every naval shipyard and most of the arsenals and air stations, the Government's mechanics, helpers, and laborers, doing skilled and semiskilled industrial labor, condemn the abuses of power which are unavoidable as long as supervisors, by the marks they give up or down the scale, decide who will be laid off and who will work.

The 440,000 men and women who work for the Navy and the 370,000 who work for other departments of Government believe their trades and skills are definitely measurable, that they can and should be judged simply on the basis of whether they are competent to do the work at which management sets them, that their livelihood must not be at the discretion of someone over them who, by the simple transposition of a few points in a system, can keep them on the job or discharge them, without regard to the equity they may have established in their jobs by long and devoted years of service to the Government.

Adoption of the seniority system, so widely adhered to in private industry, would end the giving of arbitrary relative ratings, but would not prevent the discharge for incompetence. Rather, it would provide an orderly method for substantial reductions in force.

Once it is understood that the last man to be hired is the first to be fired and that when opportunities for reemployment open, those who are already experienced in Government service and in whom the Government already has an investment and who want to return will be rehired in order of their seniority standing, much present grief for employees and government alike is eliminated. The necessity for mass appeals of efficiency ratings which are regarded as unfair or arbitrary is eliminated, and the morale-breaking discussions of which of two employees is two vital points better and therefore will be retained while the other is laid off, is done away with. The supervisor can then become a work supervisor, instead of the defendant on trial in the mind of every man who is laid off or about to be laid off, with his ratings subject to appeal by every man he marks.

With the strong safeguards the subcommittee amendments place around the veteran, he, too, can be assured, if H. R. 5520 passes, that he will not be suddenly rated down below "good or better" just before a mass lay-off, in order that someone favored by one of the various marking authorities may have the job which it was the intention of Congress that the veteran should keep.

It is evident from this report that the committee dealing with this particular bill recognizes the Government's responsibility for the separation of employees with 25 or more years of service to their credit, to the Government. And in many cases would not have happened if this bill H. R. 5520 now under consideration had been in effect, and that the fact that separations of long tenure employees has taken place under the reduction in force procedures now in effect, places a direct responsibility upon the committee now considering H. R. 4718, to alleviate to some degree the hardships confronted by former employees of the Government and many that will be separated in the future. A step in that direction can be taken by the enactment of the bill now under consideration.

Our organization consisting of approximately 100,000 War and Navy Department workers does not believe that the Congress should give too much consideration to adverse reports by any bureau or commission of the Federal Government, but should consider the over-all economic welfare of the Government workers affected. Again let us request favorable action on this bill.

Mr. RAYFIELD. Thank you. Are there any questions?

Mr. DISBROW. I have completed my statement.

Mr. RAYFIEL. We are honored to have with us this morning our colleague, Mr. O'Brien of Michigan, who wishes to speak on the legislation under consideration.

**STATEMENT OF HON. GEORGE D. O'BRIEN, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF MICHIGAN**

Mr. O'BRIEN. Mr. Chairman and members of the committee; it is a pleasure to have an opportunity to present a brief statement in behalf of the principle of retirement of Government Employees after 25 years of service. As a member of the Post Office and Post Roads Committee I have had an opportunity to work for a well-rounded personnel program in the Postal Service. In the course of hearings on such matters as classification and salaries there has developed testimony and evidence of a need for a more realistic retirement program. To meet this need I introduced H. R. 4845 which is restricted to the Postal Employee in the overall problem of retirement for all Government employees, that you are considering at this hearing. I am glad to see the impetus given for such a program for all Government employees.

The bill, H. R. 4718, upon which you are holding hearings provides for the benefits of retirement after 25 years to accrue only to those who retire during a 2-year period from August 14, 1945 to August 14, 1947. Already nearly a year of that time has passed. I do not believe that the critical situation that prompted this legislation is of such a transitory nature that the benefits should be limited to only those discharged within the specified 2-year period.

I am aware of the factors that are pressing for immediate solution of the problem of displaced war workers which in some instances (the navy yards are good examples) has reached down to employees with more than 25 years of service. However, I believe that this is a continuing problem. Perhaps the impact of the sudden end of the war has aggravated the situation to the extent that we are determined to do something about it, but the individual who is faced with the problem, regardless of when it may occur, is affected just as accurately as though he had a large number of individuals in the same situation along with him.

I should like to recommend to the committee that they consider a more permanent solution of the retirement problem. The opportunity presents itself here to do a continuing service to those faithful employees who have given a quarter of a century of their lives to the service of the Federal Government. It is in accord with most private retirement plans. Such a retirement provision meets the needs of Federal employees who when displaced find it virtually impossible to find other Federal employment. I believe that a program of retirement after 25 years should be a continuing program.

We are all, I believe, in accord with giving our returning veterans employment. This program is an integral part of that policy. Vacancies created by the voluntary or involuntary retirement of Federal employees are being made available to veterans. In some agencies this has cut back seniority rights of retention to over the 25 years of service we are considering for retirement. If seniority for veterans is to be made a practical reality we should enact this program which complements it.

Again, I appreciate the opportunity to present my views. As evidenced by my bill, H. R. 4845, I am on record as favoring optional retirement after 25 years for postal employees, and believe it would be a favorable action for all Government employees.

Mr. RAYFIEL. Thank you for your statement.

Are there any questions?

The next witness will be Mr. John C. Williamson, Assistant Director, National Legislative Service of the Veterans of Foreign Wars of the United States.

Mr. Williamson.

**STATEMENT OF JOHN C. WILLIAMSON, ASSISTANT DIRECTOR,
NATIONAL LEGISLATIVE SERVICE OF THE VETERANS OF
FOREIGN WARS OF THE UNITED STATES**

Mr. WILLIAMSON. Mr. Chairman and members of the committee, I am grateful for this opportunity of testifying on behalf of the Veterans of Foreign Wars in regard to the bill, H. R. 4718.

The Veterans of Foreign Wars today has approximately 1,700,000 members, 85 percent of whom are overseas veterans of World War II. Our concern for the unemployed veteran has widened the scope of our efforts in their behalf. It is not surprising, therefore, that we devote much of our activities on behalf of the veteran who is in the Civil Service and the veteran who aspires for such employment. The veterans represent a generation that has matured early and, therefore, Government service leads all other fields of endeavor in a choice for postwar employment. The motivating force is the desire for security.

I am here to testify pursuant to a mandate of the 46th National Encampment which urges the Congress to amend the Federal Civil Service laws to provide for optional retirement after 25 years of service for all civil-service employees. The resolution follows [reading]:

RESOLUTION No. 130. FAVORING 25-YEAR RETIREMENT, CIVIL SERVICE

Whereas the present civil-service retirement laws of the Federal Government provide for full retirement for employees after 30 years of service, and who are at least 55 years of age, and further provides for a disability retirement prior to the age of 55 years or 30 years of service; and

Whereas a disability retirement does not permit such employee to work on any other job until full retirement qualifications have been met; and

Whereas this provision operates to the serious detriment of such person at a time of life and when funds are sorely needed; and

Whereas we recognize the fact that it will be necessary for the Federal Government to reduce the number of employees in the postwar period; and

Whereas it is a logical conclusion that these employees with some disability, however slight, due to the physical and mental strain of added duties and hours of employment, especially in the large industrial areas, will be arbitrarily given a disability retirement first; and

Whereas the Congress of the United States, recognizing this fact and aforementioned conditions, have reduced the age of retirement from 65 to 55 years, but have not reduced the years of service below 30 years; and

Whereas various city and State governments have recognized the existing wrongs in the Federal civil-service laws and have provided for optional retirement after 20 or 25 years of service in their civil-service laws: Now, therefore, be it

Resolved, by the forty-sixth annual encampment of the Veterans of Foreign Wars of the United States, That we urge the Congress of the United States to amend the Federal civil-service laws to provide for optional retirement after 25 years of service for all civil-service employees, and so instruct our National Legislative Committee.

To the Committee on Demobilization and Reconversion.
Approved by forty-sixth national encampment.

The Veterans of Foreign Wars urges the favorable consideration of this bill in order to make room for the thousands of young veterans who are anxious for careers in Government but whose efforts are thwarted by the paucity of vacancies.

With the committee's permission, I would like to submit for the record the letter addressed to the members and signed by Mr. Omar B. Ketchum, director, national legislative service, in regard to the bill, H. R. 4718:

APRIL 6, 1946.

HON. J. M. COMBS,
House Office Building, Washington, D. C.

MY DEAR MR. COMBS: It is my understanding that a subcommittee, of which you are chairman, of the House Committee on the Civil Service is considering H. R. 4718, a bill to provide optional retirements for Government officers and employees who have rendered at least 25 years of service.

I am enclosing herewith a copy of a resolution adopted by the National Encampment of the Veterans of Foreign Wars in October 1945, favoring an optional retirement after 25 years of service for all Civil Service employees.

The Veterans of Foreign Wars is of the opinion that the technological advances during the war years coupled with the influx of veteran aspirants for Government careers bring into sharp focus the need for a lowering of the retirement age in the Civil Service as well as private industry.

Should your subcommittee decide to hold public hearings on the bill, I would appreciate your affording a representative of this office an opportunity to testify in regard to H. R. 4718.

Sincerely yours,

OMAR B. KETCHUM,
Director, National Legislative Service.

Mr. RAYFIEL. Are there any questions? If not we will proceed to hear the next witness.

**STATEMENT OF EDWARD V. DOCKWEILER, VICE PRESIDENT,
LOCAL NO. 1, NEW YORK RETIREMENT FEDERATION OF CIVIL
SERVICE EMPLOYEES, AND PRESIDENT, QUARTERMEN AND
LEADINGMEN'S ASSOCIATION, NEW YORK NAVAL SHIPYARD**

Mr. DOCKWEILER. Mr. Chairman and gentlemen of the committee, my name is Edward V. Dockweiler. I am vice president of Local No. 1, New York Retirement Federation of Civil Service Employees and president of the Quartersmen and Leadingmen's Association of the New York Naval Shipyard, both of these organizations being affiliated with national bodies.

I wish to place in the record the urgent need for the passage of the legislation covering the payment of annuities after 25 years of service to men and women who have been involuntarily separated from the Government employ and those who wish to voluntarily separate themselves from the service. The enactment of this legislation will provide relief to men and women who have gone through the past 5 years of terrible war strain. The reasons for this require no detailed explanation, as we all know what the conditions were in the Government service during this period. Suffice to say that the old timers, with their knowledge and skill, were continually harassed and aggravated to get work done with the help of green personnel whom they had to train. These old timers, some of whom have broken under the strain, plainly show the effects physically.

The American people have been called upon, through Congress, to help, aid, and assist the peoples of other nations. Billions of dollars are being set aside for this purpose. The organizations I represent feel that it is the duty and responsibility of Congress not only to listen to our plea but to pass this legislation for the men and women of America who have given their all to help win a victorious war and who justly deserve this consideration from Congress.

There is considerable talk and action by the country, as a whole, to take care of the disabled veterans of our wars. The burden of this job will rest upon the various governmental activities, as private industry in general due to conditions covered by insurance, and compensation regulations, will not be in a position to employ many disabled men. The retirement of the Government employees after 25 years or more of service will make room for the veterans.

It is the responsibility of the Government to be progressive and set this 25-year standard of retirement at this time in the Government service. As in numerous States, cities and even counties, legislation is being enacted covering the 25 years of service. Remember, gentlemen, 25 years of service is a quarter of a century of a man's life.

I desire to express my appreciation to the committee, Mr. Chairman, for this opportunity to present the views of the members and myself of the organizations I represent. Thank you.

Mr. RAYFIELD. Are there any questions? If not, we will proceed to hear the next witness.

STATEMENT OF JAMES A. KLINE, LEGISLATIVE COMMITTEE, NEW YORK RETIREMENT FEDERATION OF CIVIL SERVICE EMPLOYEES

Mr. KLINE. Mr. Chairman and gentlemen, I am James A. Kline, a member of the legislative committee of the New York Retirement Federation of Civil Service Employees. I am an executive board member of the Brooklyn Metal Trades Council, A. F. of L. I am secretary-treasurer of Shipfitters Local No. 43, International Brotherhood of Boilermakers, Iron Shipbuilders and Helpers of America, affiliated with the A. F. of L. I also express the views of Local No. 23 of the same International.

Mr. Chairman and members of the committee, today in our navy yards and naval shore establishments we are faced with a problem unparalleled in the annals of these organizations. We are faced with a situation whereby men are being indiscriminately laid off despite years of faithful service to our United States Government. These men are being laid off because of an efficiency system which under the present set-up, has no alternative but to let them go despite their high efficiency marks and long years of service. I cite as a typical example the case of William J. Walsh, who after 31 years of faithful service has been separated from the rolls of the New York Naval Shipyard. Mr. Walsh is at present 53 years of age and due to the fact that he had an accident which made him a disability case he has been permitted to retire on a disability pension. However, this man can deem himself fortunate under the present set-up. If he were not a disability case he would have to wait until he reached the age of 55 before he could receive any pension rights whatsoever. Now, gentlemen of the committee, this testimony is not hearsay. You

have just to consult the retention lists—that is the order in which men are laid off at the various naval shipyards, to bear out what I am telling you today. These men are going out into private industry. Why? Because they have not reached the age according to Government standards, whereby they can receive a pension. What will happen to these men when they go into private industry to compete with younger men who are well established in their jobs? You can't just walk into a crowded industry and bump a man who has been there for some time. What other course have these men to pursue? As Federal workers they receive no unemployment insurance. Due to the 5-year freeze clause in our present Retirement Act, they cannot draw any of their pension monies deposited after June 1942.

Gentlemen, how can these men hope to exist? Their future is pretty bleak indeed. The United States of America is at the present time considering relief measures for foreign countries in the aggregate of billions of dollars. Now I and the people I represent would be the last ones in the world to deny people who really need relief but we believe also in the old homespun philosophy that "charity begins at home" and it is the duty of every good American to insure and establish the security of their fellow Americans.

Mr. Chairman, the group I represent requests that you and your committee recommend favorably H. R. 4718 and lend every effort possible toward its enactment into a law of this country. It is only just that under the preamble to our Constitution we demand one of its prime factors and that is the pursuit of happiness. A secure old age guarantees the fulfillment of that part of our Constitution.

Mr. Chairman, I thank you for this opportunity to appear before you and express the views of the people I represent.

Mr. RAYFIEL. Are there any questions?

Thank you for your excellent statement.

STATEMENT OF WILLIAM J. OSWALD, EX-PRESIDENT, NEW YORK LOCAL OF PLANNERS, ESTIMATORS, AND PROGRESSMEN, UNITED STATES NAVAL SHIPYARD, NEW YORK

Mr. OSWALD. Gentlemen of this congressional committee; my name is William J. Oswald. I am ex-president of the New York Local of Planners, Estimators, and Progressmen. I am employed as a planner and estimator in the United States Naval Shipyard at New York.

I have observed with mingled feelings of sorrow and amazement the laying off of employees after they served anywhere from 15 to 30 or more years without having any benefits under the unemployment insurance provisions or any pension benefits whatever. These employees, after devoting so many years of their strength and virility to the Federal governmental service, are, due to hardships experienced in shipyards, in no position to compete with men of younger years and consequent better physical condition.

I therefore strongly urge you to vote favorably the Forand Bill, H. R. 4718, in order that it will soon become a law and remove the above un-American conditions.

Mr. RAYFIEL. Thank you. Are there any questions?

**STATEMENT OF JOHN H. DROMESHAUSER, VICE PRESIDENT OF
THE NAVAL PLANNERS AND ESTIMATORS AND PROGRESSMEN
ASSOCIATION OF NEW YORK**

Mr. DROMESHAUSER. Mr. Chairman and gentlemen of the committee, my name is John H. Dromeshauser. I am the vice president of the Naval Planners and Estimators and Progressmen Association of New York. I also represent my own Local Union No. 28, A. F. of L., of New York.

H. R. 4718, providing for the optional retirement for Government officers and employees who have rendered at least 25 years of service should be passed for these men and women who have been giving the best years of their lives to the Government. As you members of Congress must know the career employees, the majority of whom are not veterans, have no chance of competing with a veteran. Men and women with 25 years and up must now leave their jobs due to the veteran's super-seniority. These men and women I speak of cannot attain retirement with your present civil-service rulings. Just where do you Members of Congress who have the power to make the laws expect these people to go to find employment? The vast majority are well over the 50-year mark. Before the war, the navy yards would not give employment to men over 48 years of age. If our own Government will not give men and women employment at the ripe old age of 48, how can you expect private industry to do so? Personally, I am not affected having only about 6½ years, time in the Government service and having absolutely no chance of being retained for more than a very few months. Our Navy Department is taking advantage of the plight of its employees and reducing them to helpers in lieu of lay-off. But I do know, I had no choice in my reduction from planner and estimator to mechanic. I could not resign without paying a dollar a month for every month I have worked for the Government. They call it tontine deduction. I must wait until they lay me off, according to the Navy Department, in order not to have this deducted from my retirement fund. Of course, you must realize there is a certain amount of odium attached to being practically forced to accept the rate of helper after satisfactorily serving many years as a journeyman mechanic. Therefore, our people deserve some protection.

Mr. RAYFIEL. Does that finish your statement?

Mr. DROMESHAUSER. Yes, sir.

Mr. RAYFIEL. Thank you. Are there any questions? If not, we will proceed with the next witness.

**STATEMENT OF EDWARD L. GAY, PRESIDENT, NEW YORK
RETIREMENT FEDERATION OF CIVIL SERVICE EMPLOYEES**

Mr. GAY. Mr. Chairman and gentlemen of the committee, my name is Edward L. Gay. I am president of the New York Retirement Federation of Civil Service Employees, vice president of the Brooklyn Metal Trades Council; president of Local 556 and executive board member of District No. 44, I. A. of M.

With the thousands of Government employees who are being laid off at this time, there are large numbers who have 25 years of service

or more; the average age of these men and women is about 50. With the training and experience they have acquired, these people have rendered good service to their Government for the best years of their lives. When they are forced to seek new employment, they will find it difficult to secure a job that will pay a sufficient amount to maintain a standard of living, which they are accustomed to, which in no case had been luxurious. We all know today and in the past, employers will not hire men 40 years of age and even younger. Our Government will not hire new employees, 48 years of age or over. What more need be said then to ask that the Green-Forand pension bill be passed, giving these loyal Government employees the pension they have worked for and have earned. Let them go out feeling they have worked for a fair, just employer in their Government, not with a feeling of bitterness that too many of our people have in their hearts today.

Mr. RAYFIEL. Thank you. Are there any questions?

**STATEMENT OF WILLIAM A. FISCHER, FINANCIAL SECRETARY,
NEW YORK RETIREMENT FEDERATION OF CIVIL SERVICE EM-
PLOYEES**

Mr. FISCHER. My name is William A. Fischer. I am financial secretary of the New York Retirement Federation of Civil Service Employees. I am a past president of the Quartermen's and Leadingmen's Association of the New York Navy Yard.

Mr. Chairman, I, too, would like to point out the inequities of our present Retirement Act and how they can do many injustices to the people employed in the naval shipyards of the United States of America. These people are today faced with problems they never dreamed of when they made service to our Government their life's work. These men spent many years in the Government employ in the belief that at the culmination of their faithful service and as a result of their efforts they would receive as a reward security for the balance of their days. Why are these men being laid off? Let me give you a few reasons:

The present reduction in force notices read: Due to lack of funds.

We have today in existence in our naval establishments a vicious efficiency system which establishes a form of superseniority. This seniority, gentlemen, has resulted in thousands of old time skilled mechanics losing their jobs. These old-timers have no security whatsoever when they leave the Government service. Their only security is the few dollars they managed to scrape from their earnings to invest in war bonds to help bring about the victory which this country has just achieved in this past war. What will happen to these men when these bonds are exhausted? Statistics prove that a man with an average family and with an average amount of his earnings invested in bonds can exist only 1 year. Thousands of men being laid off today must wait a great deal longer than 1 year before they become eligible for a pension under the present Retirement Act.

Mr. Chairman, I won't take up much more of your time, but I do ask on behalf of the people I represent that you and your committee do everything possible to enact into the laws of this country H. R. 4718. I thank you for this opportunity to appear before you and trust that I, on behalf of my people have been able to draw a

clear and complete picture as to what faces these men who are going out of our navy yards and Navy shore establishments today.

Mr. RAYFIEL. Thank you for your constructive statement. Are there any questions?

STATEMENT OF JOHN McMURRAY, PRESIDENT, AND DAVID MALIKIN, SECRETARY, BROOKLYN METAL TRADES COUNCIL, NAVY YARD, NEW YORK

Mr. McMURRAY. Mr. Chairman and gentlemen of the committee: I am John McMurray, president, and I have with me David Malikin, secretary of the Brooklyn Metal Trades Council, Navy Yard, New York.

The Brooklyn Metal Trades Council, A. F. of L. consists of 18 affiliated locals with a membership of many thousands of Federal employees, and it wishes to be placed on record as heartily favoring the passage of H. R. 4718.

Obviously passage of this measure, which would allow Government employees with long periods of service to retire, would be an over-all aid to our economic problem affecting these Government workers.

Most of the employees, who would avail themselves of the opportunity provided in this bill, are close to retirement anyway. Normally they would be leaving the Federal service in the next few years. However, it is important that they be induced to retire now, when reduction of force is occurring and while industry still hasn't reached the level of production necessary to give everybody a job.

In a sense we are passing through an emergency period and this bill is emergency legislation. That is why it contains a 2-year limitation.

It is also important that men retiring receive as much pension as possible. Otherwise, they will have to seek other employment and compete with the unemployed for jobs. A full pension is meager enough but it at least is sufficient to take care of the necessities of life so that additional employment isn't an absolute "must."

The men with 25 years service are the men who for the last 7 years bore the brunt of the war production program. They were the key men who in a tremendously expanding Navy had to assume great responsibility. All during the war they worked long hours, 7 days a week, holidays, with rarely a day off. They have earned the benefit of this legislation. It is the least our country can do for these men who contributed greatly to the ultimate victory.

Mr. RAYFIEL. Thank you. Are there any questions? Who wishes to speak next?

STATEMENT OF JOHN C. TOOMEY, PRESIDENT, LOCAL UNION 664, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

Mr. TOOMEY. Mr. Chairman, and gentlemen of this congressional committee: My name is John C. Toomey. I am employed in the United States Naval Shipyard at New York as a planner and estimator.

I am secretary of Welfare of Retirement Association Local No. 1 of Brooklyn, N. Y. I am president of Local Union No. 664 of the International Brotherhood of Electrical Workers.

I was first employed in Brooklyn Navy Yard on April 10, 1906, just 40 years ago and have service credit of about twenty-eight and one-half years.

Under the present set-up of retirement laws, if my connection were severed I would receive the munificent sum of about \$80 per month. How could I exist on that kind of money?

My little contribution to this hearing on H. R. 4718, or what is commonly called the Forand 25-year emergency bill, deals almost entirely in figures. I know how uninteresting and tiresome the quoting of figures is, so out of consideration for you I will incorporate them in the brief I will submit for your perusal and information and, I hope, guidance. I am submitting this brief, as well as my testimony with the full knowledge that Mr. Irons, head of the Retirement Division of the Civil Service Commission, as well as the Civil Service Commission itself, is opposed to this Forand 25-year emergency bill. Mr. Irons has so publicly stated. Mr. Irons stated the reason for this opposition is the question of cost.

I am making the definite statement that both Mr. Irons and the Civil Service Commission are likely to take my figures and present them in such a way that their meaning, from my viewpoint, would be valueless and, to me, appear distorted.

My job together with the jobs of many thousands of other old-time employees is in dire jeopardy due to circumstances over which we old-time employees have absolutely no control.

Mr. Irons' job comes under the category of what is known as "safe." If he were faced with the probability of being let out without decent, adequate protection, I feel sure his stand on this matter would experience a complete reversal of opinion. Gentlemen, I hereby submit my brief.

It is believed there would be 105,750 Federal employees eligible to retire when these bills become law.

These employees have 25 or more years of service but have not attained the present or existing retirement requirements of 30 years, service and 60 years of age.

It is further believed that the average annuity of these employees would approximate \$1,000 per year. If all of these eligibles availed themselves of the opportunity to retire, there would be created 105,750 vacancies in Federal service.

These vacancies could and in all probability would be filled by veterans. These are career jobs for veterans and the average pay is \$2,400 or more per year.

It must also be borne in mind that most of those now filling the said 105,750 jobs have had deducted for the past 25 years up to and including 5 percent of their wages. These deductions have been credited to the retirement fund.

Now let us begin to tie things up in order to create a picture of cost. One hundred five thousand seven hundred and fifty employees eligible to retire when these bills are enacted into law, then.

One hundred five thousand seven hundred and fifty employees times \$1,000 average pension equals \$105,750,000 per year. Based on 2,400,000 present Federal employees, and if all eligibles took advantage of the new law, it would mean approximately only 4.4 percent of employees going on retirement.

Don't forget these bills cover only the period between August 1946 and August 1947. Based on the figure of \$105,750,000 per year the entire cost in 10 years would be \$1,057,500,000 provided all eligibles would live 10 years. This is extremely unlikely.

Again may I remind you, that these eligibles have had deductions from salary or wages, in various amounts, up to and including 5 percent, for retirement purposes.

This bill, or these bills, H. R. 4718, Forand, and S. 1422, Green, if they become a law would create 105,750 vacancies. These vacancies would be filled by veterans and these vacancies now become jobs for veterans, and pay on the average \$2,400 per year.

Is this a worthy accomplishment? Let us have a look at the figures:

At the present time there is credited to the retirement fund 2¼-billion dollars. This 2¼-billion-dollar fund draws 4 percent interest. In using the figures previously quoted, and using them in the very costliest possible way, it would take more than 20 years before this 2¼-billion-dollar fund would be affected even if nothing additional were to be paid into the retirement fund.

What is being paid into the retirement fund?

I believe there are 2,400,000 governmental employees covered by retirement; the average pay is said to be \$2,400 per year. Based on 5-percent deduction for retirement purposes, this means 5 percent of the average pay of \$2,400 per year, or \$120 per year per employee, or, 2,400,000 employees times \$120 per year equals \$288,000,000 per year credited to the retirement fund.

Now to get back again to the 105,750 eligibles for retirement under H. R. 4718, the Forand bill, and S. 1422, the Green bill.

One hundred and five thousand seven hundred and fifty eligibles, \$1,000 average annuity per year, or \$105,750,000 outlay per year.

It is further believed there are now 94,000 annuitants on retirement rolls and if the average annuity is \$1,000, then these annuitants receive \$94,000,000 per year, and add to this figure the amount received by the new annuitants and we have \$94,000,000 plus the sum for the new annuitants, in amount, \$105,750,000, or a total of \$199,750,000. The present income from employees is estimated at 2,400,000 employees times \$120 per year per employee, or \$288,000,000, or \$89,250,000 over and above outlay.

It is reported that the number of Government employees, numbering at the present 2,400,000 will in 1947 be reduced to 1,500,000; this will of course change the whole financial picture.

One and one-half million employees each averaging \$2,400 per year would each contribute to retirement fund 5 percent of \$2,400 per year; and \$120 per year per employee times one and one-half million employees equals \$180,000,000 contributed annually to the retirement fund.

Now again going back to the existing 94,000 annuitants, based on an average \$1,000 annuity times 94,000 annuitants or \$94,000,000 being paid out and added to the new annuitants, 105,750 eligibles under this bill times \$1,000 average per year annuity or \$105,750,000 there would be paid out of retirement fund \$199,750,000 per year or \$19,750,000 per year more than would be received after the number of Federal employees is reduced from 2,400,000 down to 1,500,000 in number.

Now if this \$19,750,000 deficit were charged entirely to creating 105,750 new veteran career jobs at an average pay of \$2,400 per year it would mean \$19,750,000 divided by 105,750 vacancies that have been turned into veterans jobs or approximately \$187 for each

of these 105,750 veterans jobs, to be taken out of an already existing \$2,250,000,000 reserve credit in the retirement fund.

Is the sum of \$187 per year too great to pay for each of 105,750 jobs for veterans?

I have just mentioned a deficit of \$19,750,000 a year.

I here and now make the statement that there will be no deficit. I have stated there is a reserve retirement fund of approximately 2¼ billion dollars. Mr. Irons, head of the Civil Service Retirement Division, is authority for the statement that this 2¼ billion dollars draws interest at the rate of 4 percent annually.

Mr. Chairman and members of this congressional hearing committee, two and one-quarter billion dollars at 4 percent interest means that this interest amounts to \$90,000,000 a year. This fund, with the additional employee current contributions and 4 percent interest thereon, is not only self-sustaining, it is self-perpetuating notwithstanding any figures to the contrary which may be furnished you by the Civil Service Commission on an inapplicable so-called actuarial basis or computation.

Mr. Irons has stated publicly that the Civil Service Commission is opposed to the Green-Forand 25-year emergency bill, primarily for philosophic reasons.

What kind or brand of philosophy is it that puts one out of a job on a very inadequate livable annuity because one has not served a full 30 years service and reached the age of 60 years?

What kind of a philosophy is it that forces me out of a job on totally inadequate annuity even after rendering 28 years service and after having attained 58 years of age?

What kind of philosophy is it that, under the existing set-up of retirement provisions and because of inadequate compensation, if I had the normal desire for a smoke, would force me to "hop butts"—figuratively?

This brand of philosophy is on a par with the philosophy that was behind the statement that prompted the remark made years ago. "If they have no bread, let them eat cake." There is no room in America for that brand of philosophy.

I know that the Civil Service Commission in its opposition to this bill, will set up a lot of actuarial figures which may tend to confuse you. I believe, in setting up these figures, the Civil Service Commission will be sincere and honest in their endeavors. Actuarial figures generally are derivatives from life-insurance statistics from which these companies set up their actuarial figures. I want to state here and now I think these actuarial figures so set up are unfair inasmuch as they are taken in reference to the general public at large, and most of whom lead normal complacent lives.

Most people working in shipyards and particularly on ships, and this comprises a very great majority of the employees of the United States shipyards or navy yards, do not work under normal conditions.

The work on vessels at navy yards presupposes that the navy yards themselves must be located at water fronts and this fact of itself subjects these workers to the vagaries and extremes of bitter cold in the winter and intense heat in the summer.

Nobody, except those having had ship-work experience, knows the joy and exhilaration of working in a small compartment of a ship, together with 30 or more workers of various trades each clamoring,

yes and fighting, for the chance to install their particular piece of mechanism.

Add to this the pleasure of having a burner using his acetylene torch, with the consequent gases created, and several welders in the same compartment, together with several chippers and calkers attempting to make watertight the very compartment in which this motley gang is working. Imagine the healthy ozone, if any.

I will say nothing of the necessity of continually climbing of ladders to get from one compartment to another.

I will cite only one experience of my own while working on the *Brooklyn* when building. There was a test going on, steam was up and I was connecting electrical boxes in the engine room. Temperature 150 degrees. Is this a normal experience? No. But it is a common one.

It seems that in the winter most of the work is on the upper decks and bridges and in the summer most of the work is in the hot boiler and engine rooms.

To arrive at effectual applicable statistics, actuarial figures should be compiled only as they pertain to shipyard workers.

What person after working 25 or more years in a shipyard under these abnormal conditions, regardless of age, should not be retired with somewhere near adequate annuity?

The retirement fund can afford it.

-I am heartily in favor of taking adequate care of the veteran and particularly the disabled veteran and god bless him, I am also in favor of giving the disabled veteran something more than only adequate care, we can never pay our debt to him.

Getting back to our 105,750 eligibles for retirement under your H. R. 4718, the Forand bill, it is true that the people in the various services won the war. It is equally true that these potential eligibles furnished the sinews and munitions of war to these service people and we furnished them not too late nor too little but in time and in plentiful amplitude. I ask you, out of decency and in conscience, do not throw these eligibles out of employment without adequate compensation.

I respectfully urge you to recommend the passage of H. R. 4718, the Forand bill.

Now, gentlemen, I have submitted my brief. I wish to make a few supplementary remarks.

On March 29, 1946, I had the good fortune to sit in on a discussion of the Federal retirement laws.

The head of the Retirement Division of the Civil Service Commission was, if I may be allowed to coin a word or term, the principal discussor.

In reference to the existing set-up of Federal retirement laws, the principal discussor stated and I quote:

It is a fine system as a result of your own efforts, your associates in Washington and all over the country. I had occasion the past several months to observe an analysis of the major industrial retirement systems throughout the country—General Electric, General Motors, Du Pont, etc.—also most States and municipalities. I can tell you tonight, that of them all, you have the best. You get the most for your money. It has got a lot of major defects, but by and large it is the best in the United States today.

That statement, gentlemen, is certainly a sizable mouthful. If allowed to pass unchallenged I am sure it would promote indigestion. Lets analyze it in a very brief way. The statement referred to, in referring to retirement systems says, an observation was made of analysis of retirement systems of most States and municipalities. It is safe to assume that this observation of analysis of municipal retirement systems would include the retirement systems of the largest municipality of the United States, that is the retirement systems of New York City.

There are many retirement systems in the city of New York. There are many better retirement systems than ours.

Let's look into only two of them. That of New York City firemen and New York City policemen.

New York City firemen are allowed to retire on half pay after 20 years' service. Their pay is \$3,000 per year, therefore their pension is \$1,500 per year after 20 years' service. The deduction for pension is now 5 percent of their salary and up to a very few years ago there was no deduction whatever taken out of their salary for pension purposes.

New York City policemen have the right to retire on half their wages of \$3,000 or \$1,500 retirement pay after working 20 years under a deduction of 6 percent and have the right to retire on one-half pay after working 25 years under a deduction of 5 percent. I will not go into the further advantages, and they are many and remunerative, of city firemen and city policemen under their respective retirement systems. If killed in the line of duty, their widows and dependents are provided for. There is no such provision in the Federal retirement law.

Where do these facts tie in with the statement previously made in reference to retirement systems? [Reading:]

I can tell you tonight, that of them all you have the best. You get the most for your money. It has got a lot of major defects, but, by and large, it is the best in the United States today.

Of course it is the best—except for many major defects. Among them is the fact we have to work 35 years and attain the age of 60 years to be allowed to retire on one-half pay, and we gave reductions of 5 percent of our wages.

Of course it is the best except for many, many major defects, some of these defects being the fact that if one serves 23, 25, 28, or even 30 years and has not attained the age of 55 years and he is thrown out of employment—"kicked out of a job" is the term used by the head of the Retirement Division—that employee after having served 23, 25, 28, or even 30 years does not receive a dime in annuity until and after he attains the age of 55 years and then at a very greatly reduced annuity. Do you expect these employees, after serving all these years, to be able to compete with men 25 or 30 years of age?

The jobs of policemen and firemen are hazardous. I agree those jobs are hazardous. But what are jobs in shipyards? Are they the acme of safety, or in the promotion of serenity and comfortable imperturbability?

The Civil Service Commission no doubt has statistics recording the number of employees dying before reaching pension age.

I dare say though that the Civil Service Commission has no statistics showing the number of employees dropping dead or dying

unexpectedly from cardiac or related diseases due to working under adverse conditions in shipyards and before attaining the necessary requirements under the existing set-up of Federal retirement laws.

Let me name a few with whom I was personally acquainted: Frank P. Lewis, master electrician; his successor, William Jennings, master electrician; Tom Qarey, planner and estimator, electrician; Joe Sagone died at the gate when leaving the yard after work; Joe, ex-quarterman electrician, died at starting time.

Those are a few names which come readily to my mind. How many employees there are taking digitalis for cardiac ailments, I will leave to your imagination.

These cardiac ailments have been caused primarily by the unusual working conditions prevalent in shipyards.

I have seen many employees taking digitalis in one form or another. I have seen eligibles taking pills made from nitroglycerine to relieve in some measure the excruciating pains in arms and chest resulting from various cardiac ailments. Gentlemen, these medicines are being taken with the hope of these employees that they will be able to prolong their existence long enough to become eligible for retirement under the existing set-up.

This is a real emergency facing us. If an emergency took place in a large corporation, the first thing the directors of that corporation would do to meet the emergency, would be to turn to their surplus and use that surplus to take care of said emergency.

Members of this congressional committee, you, in a sense, are equivalent to the directors of a corporation. You are directors of the biggest business on earth. There is a surplus in the retirement fund of \$2,250,000,000. I urge you to vote to use part of it in this emergency.

I urge you to recommend the passage of H. R. 4718.

Mr. RAYFIEL. Thank you for your informative statement.

Are there any questions?

Who is the next witness?

STATEMENT OF HARRY N. SHUSTER, SECRETARY, LOCAL NO. 6, RETIREMENT FEDERATION OF CIVIL SERVICE EMPLOYEES, BOSTON NAVAL SHIPYARD

Mr. SHUSTER. Mr. Chairman and Congressmen, my name is Harry N. Shuster, and I represent Local No. 6 of the Retirement Federation of Civil Service Employees of the Boston Naval Shipyard.

The employees of the Boston Naval Shipyard are in favor of the Green-Forand bill because:

It will bring about a measure of relief to the more than 430 employees who now or within the next year will have completed 25 or more years of faithful service to our Government. It is far better that our employees be taken care of in this manner than to separate them from Government service without sufficient security. Most of these employees cannot obtain employment elsewhere and they cannot receive benefits from either social security or unemployment compensation. Included in the above group are a number of World War I veterans.

By releasing older personnel and advancing younger employees the general efficiency of the group would be improved. By releasing

personnel with 25 years of service, it will lessen the necessity of dropping newer employees in reduction in force action.

Many long service employees have ambitions to start a farm on retirement. If so released they will have enough money coming in to get them started on such a project and thereby they will provide food for themselves and others, which is much needed at this time.

Employees so released will provide a trained force to fall back on in the event of another national emergency, when all such employees could be recalled, thus eliminating the necessity of training large numbers of new and inexperienced personnel.

Many employees who are not disabled enough to warrant disability retirement, but are in relatively poor health, could be released under such an act, thus providing for faithful employees who are not physically qualified to perform efficient or reliable service.

General morale of employees would rise when proof is given that our government does appreciate loyal service.

I favor the passage of the Green-Forand bill and so do the employees of the Boston naval shipyard.

Mr. RAYFIEL. Are there any questions?

Thank you.

We will now hear the next witness.

**STATEMENT OF ALFRED L. HOMMEL AND WILLIAM A. McEVOY,
REPRESENTING THE NEW ENGLAND GOVERNMENT EMPLOYEES
COUNCIL OF DISTRICT NO. 44, INTERNATIONAL ASSOCIATION
OF MACHINISTS**

Mr. HOMMEL. Mr. Chairman and gentlemen of the committee: I am Alfred L. Hommel, president, Lodge 634 and with me is William A. McEvoy, secretary, representing the New England Government Employees Council of District No. 44, International Association of Machinists.

What happens in the next few months? I dread to think of it. Men who made careers of the mechanical service of the Navy Department will be put on the streets. Some, and I will say a very large percentage of them will be over 40 years of age and have attained long service with the Government.

Lest we forget, these same men are the men, who, 3 years ago were considered invaluable, on the production front, and played a most important part in the successful prosecution of the war.

It has been well stated, that we are prone to forget those who silently gave.

The war can be compared, by some, as a severe toothache, when the pain is gone and the throbbing stops it is soon forgotten, until it kicks up again. Then those individuals cry out, "Why did we not take care of it, when we had the opportunity" because invariably the pain is worse. So they moan and groan until the condition is remedied.

Let us not forget the sad lesson of "too little and too late"; are we going to help our people now or are we going to throw those fine men out of employment with no possible future in the Federal service? Many of them are too old for private employment.

Our people cannot enjoy the benefits of unemployment compensation as is provided by those of private industry.

When they are separated from the service, they are in a nonpay status as soon as "red leave" runs out, and this is usually meager, due to the fact that they have usually used up much of it in the slack period.

What are we going to do with our older career employees? Are we going to say, "You may go now for we have had the benefit of your knowledge and your ability in educating the young and inexperienced?"

Or are we going to profit from the great mistakes of the past and try to provide for these men who, due to the all-out effort, gave their knowledge willingly and unselfishly for the good of their country's welfare? Most of us around this table are over 35. What would happen if suddenly your boss said, "We do not need you any more because you are too old. We need vitality and youth." You would immediately counter with, your experience and he would probably say that there is plenty of time to train the inexperienced to the job you are doing.

This happens every day gentlemen, and we see it.

We naturally concede to youth the aptness, fitness, and many other fine attributes; we do not deny this to any of them; but some day they will be as we are, along in years; and they will be in the same position as we are today: No reasonable man would deny his father any benefits, which he would enjoy under the provisions of this progressive bill H. R. 4718.

We are not afraid to place ourselves on record as being in favor of this bill nor any other sensible retirement legislation.

We who represent more than 100,000 constituents in the New England area wish to be recorded as unanimously favoring this bill, H. R. 4718, and we want to strongly urge that your committee favorably report this bill to the House as soon as possible.

This bill has been discussed at great length in the many lodges which we represent and contains many of the humane attributes of the Golden Rule.

It has been well debated and discussed by most democratic labor organizations in existence; and has the unanimous approval of all our people.

So in closing we wish to thank the committee for its kindness and fairness in hearing our case, and we desire to leave you with this thought.

Don't discount or forget those who have the know-how on the production front. They will be needed again; and let us be ready to give, be it only a small portion, as they have given.

Mr. RAYFIEL. Have you finished your statement?

Mr. HOMMEL. Yes, sir.

Mr. RAYFIEL. Are there any questions?

We will proceed then to hear the next witness.

STATEMENT OF HUGH BRESLIN, LEGISLATIVE REPRESENTATIVE, NEW YORK RETIREMENT FEDERATION OF CIVIL SERVICE EMPLOYEES

Mr. BRESLIN. Gentlemen, my name is Hugh Breslin. I am the legislative representative of the New York Retirement Federation of Civil Service Employees; also a member of the executive board of the Quartermen and Leadingmen's Association.

Mr. Chairman and members of the committee, for the past year we in the various navy yards, naval shore establishments have suffered the greatest reduction in force in the history of civil service.

The people involved in this reduction, in very many instances, are people who have given a full lifetime of faithful service to their Government. As a typical example, I give you the case of Richard Houston, shipfitter, first class, who has been on the rolls of the New York Naval Shipyard for 31 years. Mr. Houston has been laid off. Where is he going to go for a job in his trade? He has no seniority in private industry. He will receive no unemployment insurance, such as people in private industry receive. Due to the 5-year freeze clause of the Retirement Act he cannot draw his money and last but not least, not having reached the age of 55 he cannot receive a pension despite his 31 years of service to his Government.

Mr. Chairman, this man and many others like him are desperate; for them there is no future. The injustice suffered by these men can be corrected if the members of this committee will recommend favorably H. R. 4718, and do all within their power to have this bill enacted into law.

Mr. RAYFIEL. Thank you for your statement.

Are there any questions?

Who is the next witness?

STATEMENT OF E. C. MALPHUS, PRESIDENT, NATIONAL ASSOCIATION OF NAVAL PLANNERS, ESTIMATORS, AND PROGRESSMEN

Mr. MALPHUS. Mr. Chairman and gentlemen of the committee: My name is E. C. Malphus. I am the national president of the Naval Planners, Estimators and Progressmen Association, the president of the New York Association, a pattern maker by trade and a member of the Pattern Makers League of North America, affiliated with the American Federation of Labor. I am employed as a progressman in the New York Naval Shipyard. I am here to represent the above-named organizations, to support H. R. 4718. We have observed with considerable alarm the present reductions in the navy yards. Under the present reduction in force and future reductions, career employees including veterans are now being laid off with from 10 to 34 years service in the various naval activities. Many of these faithful employees are under 60 years old and have neither unemployment insurance or retirement benefit under the present laws. You gentlemen know the Navy Department a few years ago would not employ a man over 45 years old except under exceptional conditions. This was also true with private industry. We now find a tendency of private enterprise is not to employ men over 40 years old in the various mechanical trades.

The fact the employees laid off are unable to find similar employment because of their age in private industry and become a liability on the public through no fault of their own, we urge the passage of H. R. 4718.

Mr. RAYFIEL. Thank you.

**STATEMENT OF JACOB O. STRINE, NATIONAL SECRETARY,
NATIONAL ASSOCIATION OF QUARTERMEN AND LEADINGMEN
OF NAVAL SHORE ESTABLISHMENTS, WASHINGTON, D. C.**

Mr. STRINE. Mr. Chairman and gentlemen of the Civil Service Committee of the House, my name is Jacob O. Strine. I am secretary of the National Association of Quartermen and Leadingmen of Naval shore establishments and I have been authorized on behalf of our organization, to respectfully urge early and favorable action on H. R. 4718, the Forand bill, now before your committee.

This bill provides for optional retirement after 25 years of service and is intended to alleviate, to some extent, the discharges and reductions in force that have taken place and are still taking place and will continue to take place for some time to come under the laws now in effect.

Over the years many people have entered into civil-service employment in the Naval shore establishment, and after 25 years or more of faithful service at all levels of employment, have been discharged, demoted, or face discharge or demotion. These same people have not been discharged or demoted because of lack of ability to carry on in their positions, they are being discharged and demoted by laws over which they do not have any control and ability is not a contributing factor in their discharge or demotions.

Naval shore establishments, as well as in private industry, are in the midst of a reconversion period. In any reconversion changes must be made. Changes must be made in the physical make up of the various naval establishments, also changes must be made in the laws governing the civilian employees of these same naval establishments.

The Government, as an employer, is charged with the responsibility of seeing that employees of many years of service receive the kind of treatment that is justly theirs. We have pointed out before that these are employees of 25 or more years of faithful service who have been discharged or demoted not because they are inefficient or do not possess ability but because of laws over which they have no control. This, in our opinion, is not justice.

We believe that the Forand bill, H. R. 4718, will help to correct some of these injustices. Therefore we the officers and members of the National Association of Quartermen and Leadingmen of Naval Shore Establishments respectfully urge early and favorable action on this bill.

Mr. RAYFIELD. Thank you.

**STATEMENT OF THOMAS MADDOCK AND JULIUS J. RUBEN,
LEGISLATIVE COMMITTEE, NATIONAL ASSOCIATION OF FED-
ERAL MECHANICS, WASHINGTON, D. C.**

Mr. MADDOCK. Mr. Chairman and gentlemen of the committee: I am Thomas Maddock and my associate is Julius J. Ruben, of the legislative committee, National Association of Federal Mechanics, of Washington, D. C.

The employees we represent, the skilled mechanics and their helpers covered by the Classification Act of 1923, as amended, appreciate the opportunity to have their representatives appear before

your honorable committee to present their views on the proposed legislation now before this committee in reference to the Retirement Act for the Federal Workers.

We feel that the Congress of the United States was very considerate when they considered and passed the Retirement Act for the purpose of giving the faithful employees who have given their best services for 30 years or more and reached the advanced ages of 65 or 70, and even older, a little security to look forward to when they could give up their services and make room for the younger generation to start their career as a Government employec—this act approved May 29, 1930, and amended January 24, 1942.

We feel that it is fortunate that amendments can be made in order to improve the benefits of the act as conditions in the country change. As the conditions of the country at this time have changed so drastically in the past few years, and more so since the end of the World War No. 2, with so many veterans returning to their homes and in need of jobs. There are many old-time employees who would be willing to give up their present positions for the returning veterans, also non-veterans, if there were some assurance the old-time employees would be able to receive an income for their faithful services, but under the present provisions of the Retirement Act they have to have been in service either 30 years and be 65 years of age. This limit of service or the age of 65 does not give these employees much chance to enjoy their last few years with pleasure. It is then necessary to amend the Retirement Act in order that these employees could enjoy more in their later years, and we therefore present our recommendations as mechanics and helpers as follows:

We feel that now is the time for your honorable committee to amend the present Retirement Act so that an employee who has served a fair amount of years should be able to retire in the same manner as the Army and Navy provided their number of years are 20, regardless of age.

We, as representatives of the mechanics, suggest that your committee give consideration to 25 years of service regardless of age, with full annuity.

We further support the provisions contained in the Forand bill, known as H. R. 4718.

Mr. RAYFIEL. Thank you for your statement.

I would like to insert in the record at this point several letters which have been received by the committee in regard to this matter. They are as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES, COMMITTEE ON LABOR,
Washington, D. C., May 10, 1946.

HON. JENNINGS RANDOLPH,
*Chairman, House Committee on Civil Service,
House Office Building, Washington, D. C.*

MY DEAR CONGRESSMAN RANDOLPH: I am writing to you with reference to the Green-Forand 25-year retirement bill which I understand is now pending before the House Committee on Civil Service.

Recently a delegation of employees from the Brooklyn Navy Yard talked with me concerning this legislation and they are most anxious that it be adopted at an early date. They feel that the provisions of this measure would prove most beneficial to them and also to the navy yard if this measure were adopted.

I believe that they have filed with you data outlining their position on this bill, and I would be most grateful for any consideration that you could render

with a view to reporting the measure to the House at an early date and having it enacted into law.

Thanking you for your attention to this matter, I am

Sincerely yours,

(Mrs.) MARY T. NORTON.

MAY 22, 1946.

HON. GEORGE MILLER,

House of Representatives:

With your permission I would like to suggest one item with regard to retirement of Federal employees.

1. Retirement of such employees at not to exceed 30 years service catches them about the time they begin to slow down to a degree that production is noticeably cut. They may not admit it, but it is definitely true. Replacement at that time by a well selected and qualified and hard working honest employee, keeps up production which permits holding number on the pay roll to a reasonable number. There is inclination to build up the Federal pay roll, and then to hold on for dear life whether an asset to the organization or not. We should be careful to select qualified persons, hard working and serious persons, not persons who want to just get on the pay roll and then stiek, leaving much better qualified persons tramping the streets without commensurate jobs. So I would suggest that one way to improve Federal service is to retire employees at not to exceed 30 years of service and replace them with hardy qualified younger persons. Then regulate the number in service so that they are profitably occupied in the interest of the Government—with no laggards to be permitted to retain their jobs. This plan would pay handsomely.

2. Full retirement, when granted as above, should be based on something other than the 5 years average pay as now it is. Injustice results. Allowance should be made equal to one-half the current salary received. The trend in wages and other prices has been upward and will remain so for many years. Employees who are energetic and serious about their jobs and their production of finished work are promoted from time to time. For instance, through hard work and effort in the interest of the organization, an employee has in 5 years say five separate salaries: \$2,000, \$2,200, \$2,400, \$2,500, \$2,700. The average for retirement under present law is \$2,300, of which one half is presently allowed, \$1,150. But one-half of current pay is \$1,350. At least I would suggest that a 3-year average be authorized for retirement consideration instead of a 5-year average, and thus the employee would not be automatically reduced seriously in subsistence allowance at the very time when a living standard allowance is needed.

Respectfully submitted for improvement of the Federal services.

JANE CRITCHLOW.

WASHINGTON 7, D. C.

May 17, 1946.

HON. GEORGE P. MILLER,

*Chairman, Committee on Civil Service Retirement,
House of Representatives, Washington, D. C.*

DEAR MR. MILLER: It is my understanding that your committee will hold hearings May 23, 1946, on H. R. 4718, an amendment to the Civil Service Retirement Act, permitting voluntary or involuntary retirement after 25 years of service, computed in accordance with section 4 of the present act, of employees separated between August 14, 1945, and August 14, 1947.

It is my hope that the Forand bill will be enacted into law for the following reasons:

1. Most employees with 25 years of service are in the group between 50 and 55 years of age, 5 years under the age and 5 years less service than required by the present retirement law.

2. These employees have rendered service equal to 10 years since Pearl Harbor. Their hours of labor were increased from 39 to 48 hours a week, all holidays and many Sundays became regular work days, leave privileges were held at 2 weeks, or less, a year and additional voluntary overtime in order to keep the work current and train new employees, regularly ran into a hundred or more hours a month for individual employees. A great part of this extra work mentioned above was without compensation of any kind and resulted in loss of accrued leave.

3. The physical strain required to perform to the utmost during the war period took a heavy toll in deaths and disability retirements and left many more in a precarious state of health, who have no recourse other than to struggle on until such time as they break physically or reach one of the present options for retirement.

4. Competition for civil-service jobs is now keen because veterans with or without reemployment rights are returning to the service in great numbers. War appointees are acquiring permanent status through examinations and reinstatement. The lower ceiling figures for the number of employees in service and the further reduction proposed in pending pay legislation will increase this competition. This results in the older employees being pushed aside rather than given recognition for a job well done.

5. Temporary legislation, such as that proposed in H. R. 4718, should be approved, giving these employees an opportunity to leave the service without loss of the security to which they are justly entitled by reason of the unselfish service rendered before and during the war period.

6. From my knowledge of the sentiment of the above class of civil service employees, I feel certain that its provisions will be taken advantage of mostly by those whose health has been affected by the conditions obtaining during the past few years but who are not in such a state of ill health as to warrant retirement on account of disability.

I will greatly appreciate your favorable consideration of this bill.

Respectfully submitted,

HAZEL B. CAIRNS.

STATEMENT OF H. F. WORLEY, PRESIDENT, NATIONAL CUSTOMS SERVICE ASSOCIATION, ON THE SUBJECT OF RETIREMENT, INCLUDING H. R. 4718

Mr. Chairman and members of the committee, for the record, my name is H. F. Worley and I reside at 5353 Reno Road NW., Washington 15, D. C. I appear on behalf of the National Customs Service Association, of which I am president. Our organization is composed solely of officers and employees of the United States Customs Service, and I do not assume to speak for any other branch of the service except to express the hope that whatever legislation is enacted may have uniform application to the personnel of all branches of the Government civil service.

I understand that the subcommittee has before it H. R. 4718, introduced by Congressman Forand, to provide optional retirement for Government officers and employees who have rendered at least 25 years of service and who shall have been voluntarily or involuntarily separated from the service between August 14, 1945, and August 14, 1947, through no fault of their own. I also understand that the Civil Service Commission has reported and recommended unfavorably on this bill for the reason, inter alia, that its expense would be excessive.

I hesitate to make a favorable recommendation respecting any bill concerning which the Civil Service Commission has made an unfavorable report. However, I desire to present a resolution on this subject, No. 24, adopted by the National Customs Service Association at its convention held at Laredo, Tex., March 18-22, 1946. This resolution makes a recommendation similar to the provisions of this bill based upon 15 years of service. If I have your permission, I shall place the resolution in the record without reading it.

I also desire to place in the record resolution No. 25, providing for voluntary retirement after 25 years of service at one-half the highest salary received, with a minimum of \$1,500.

I also desire to place in the record resolution No. 15 and urge that the act of January 24, 1942, be made retroactive to all those who retired prior to the effective date of that act. S. 896 passed the Senate on November 23, 1945, and I understand that hearings were held on this and possibly other bills, of the same tenor, on May 9, 1946. I was not notified of the hearing, but when the notice appeared in the press I telephoned your committee and asked that, if a public hearing were to be held, I be given an opportunity to be heard briefly on the subject. I was told that no testimony would be taken on any bill on this subject at the committee session. However, the press later announced that a hearing had been held on the subject, and I had to assume that either I had not made myself clear over the telephone or that the press statements were in error. Many of those who would have benefited by this act of January 24, 1942, had it been made retroactive, have now passed away, and only a relatively small number remain. Many of

them enjoyed large salaries during their active service, but those who are left are now forced to exist on a small fraction of their former salaries and meet the increased and increasing cost of living while all others in industry and the Government service are receiving increases in their compensation. The act of January 24, 1942, is one of the very few which was not made retroactive. We urge that you make it so. We know of no one in this committee who has openly opposed such action in the past.

I desire to place in the record convention Resolution No. 9 petitioning for the abolition of the tontine provision in the Retirement Act. The purpose of this deduction has been stated to be to create a fund to bear the expense of the administration of the law, but various other reasons have been intimated. For a number of years this deduction of \$1 per month from the contribution of each employee has amounted to from \$1,000,000 to \$2,000,000 per month, which is admittedly in excess of the cost of administering the law and keeping the accounts. We urgently request that you abolish this provision of law and place the full contributions of each employee, including this \$1 per month, in the retirement account of such employee.

I desire to call your attention to a great hardship which has been visited on quite a number of those who have been retired for disability. Some of these employees have later been examined and certified by the examining physician to be fit for duty and, within a short period, their names have been stricken from the pension rolls. In some instances these men have been unable to regain employment in their former positions or in any other department or agency. We earnestly recommend that an employee who is on a disability pension and later declared fit for duty shall be retained on the pension rolls until he is restored to the position from which he was retired for disability or to a position of the same grade. I submit a resolution, No. 26, on this subject passed by the National Customs Service Association at their recent convention.

That concludes my statement and I thank you for the time you have given me.

SUPPLEMENTARY STATEMENT OF NATIONAL CUSTOMS SERVICE ASSOCIATION
BEFORE HEARINGS CARE OF SUBCOMMITTEE OF HOUSE CUSTOMS SERVICE
COMMITTEE HEARINGS ON H. R. 4718

JUNE 13, 1946.

The two changes which this proposed amendment to the Retirement Act would effect, namely, the elimination of the age requirement and the reduction of the service requirement from 30 years to 25 years, coupled with the proviso that it shall apply only to separations occurring between August 14, 1945, and August 14, 1947, make it evident that this bill is designed for a specific purpose and to satisfy an immediate need. It is apparent that prospectively it is intended to cushion the effect of the reduction-in-force program set up by the Federal Employees Pay Act of 1946 by inducing large numbers of employees to retire which in turn would make it possible to retain numbers of junior employees, veterans, and others who might otherwise have to be let go. Indeed, if the retirements assumed large enough proportions this amendment would serve to create job opportunities for veterans.

The bill applies both to voluntary and involuntary separations but it is hardly likely that any appreciable number of 25-year employees will be involuntarily separated through the reduction-in-force program and consequently if the amendment is to achieve its apparent purpose of effecting large-scale retirements in the Federal service, it must do so by means of voluntary separations.

We believe that the bill as written will not induce retirements on a sufficiently large scale to justify its enactment. The amendment provides that employees separated during the effective period specified and having not less than 25 years service, shall receive an annuity computed according to section 4 of the Retirement Act as amended. Under section 4, a 25-year employee would compute his pension under one of two formulae, viz:

$$\frac{25 \times \$1,600}{40} \text{ or } \frac{25 \times \text{average annual}}{70} \text{ basic salary}$$

and receive his pension under the formulae which provided the larger annuity. For the great mass of 25-year employees, those in the lower and middle salary grades, the ones on whom we must principally rely for any pronounced increase in retirement, either formulae would produce an annuity of approximately \$1,000. We believe that this figure will not prove an inducement to retire, and we suggest that, in order that retirement at this time be made attractive, a minimum annuity

of \$1,200 be provided. The increased cost cannot be too large when measured against the probable effect of the change and may conceivably be absorbed by savings in those cases where a retiring top of the grade employee is replaced by an employee at or near the entrance salary of the grade. As here proposed, the new subsection (c) of section 1 of the Civil Service Retirement Act of May 29, 1930, as amended would read as follows, the underlined portion being new matter to effect our proposed amendment to H. R. 4718:

"(e) Any officer or employee of the United States to whom this Act applies who shall have been voluntarily or involuntarily separated from the service between August 14, 1945, and August 14, 1947, after having rendered at least twenty-five years of service computed under the provisions of section 5 hereof, shall be paid an annuity computed as provided in section 4 of this Act: *Provided that the minimum annuity payable under this subsection shall be twelve hundred dollars per annum.*"

Respectfully submitted.

NATIONAL CUSTOMS SERVICE ASSOCIATION,
Per H. F. WORLEY, President.

RESOLUTIONS ADOPTED AT THE NATIONAL CONVENTION, HELD AT LAREDO, TEX.,
MARCH 18-22, 1946, BY THE NATIONAL CUSTOMS SERVICE ASSOCIATION

Convention Resolution No. 24. New York Resolution No. 7: Retirement annuity on involuntary separation

Whereas an employee of long service who is involuntarily separated from the Government service through no fault of his own may experience great difficulty in placing himself with another Government agency or department in a position equivalent in grade to the position from which he has been separated, and

Whereas such condition is unfair to the employee in that the specialized experience which has made his services valuable to the agency or department from which he is being separated is frequently of no value outside that agency or department: Now, therefore, be it

Resolved, That the National Customs Service Association introduce and support an amendment to the Retirement Act to provide that an employee involuntarily separated from the service, without fault, and having not less than 15 years' service, provided he shall not be placed within 60 days from such separation in a position of the same or equivalent grade, shall be paid an annuity computed as though he had been retired for disability as of the date of his separation from the service.

Adopted, as written.

Convention Resolution No. 25. New York Resolution No. 8: Retirement in 25 years; \$1,500

Whereas the principle of voluntary retirement after 25 years of service should not be restricted by the age of the employee, and

Whereas the abolition of the present age requirement of 60 years for retirement would produce job opportunities for veterans: therefore, be it

Resolved: That the National Customs Service Association introduce and support legislation amending the retirement law to provide for retirement at the sole option of the employee based on 25 years of service at not less than half of the highest salary for any 1 year and with a minimum of \$1,500 per annum.

Adopted, as amended. See also Nos. 7, 15, 37, 40, 50, 56, 60, 100, 110, and 128.

Convention resolution No. 15. Main resolution No. 1. Retirement benefits retroactive; widows

Whereas it is a well established fact that the pensions paid to retired Federal employees are notably small when compared with any other pension system, public or private; and

Whereas private and Federal employees have had some extra compensation to offset the large increase in the cost of living, while Federal employees who have retired have had no relief and are thus deprived of two of the four freedoms, viz., fear and want: Now, therefore, be it

Resolved, That the proposed retirement pension increase be made retroactive so that it will include all those now receiving retirement pensions; and be it further

Resolved, That it is the sentiment of this convention that the widows of deceased retired Federal employees, who are 60 years of age or over and have not remarried, should be entitled to a pension.

Adopted, as amended. See also Nos. 22, 24, and 25.

Convention Resolution No. 9. Florida Resolution No. 1: Abolish tontine deductions

Whereas, the reasons for, and the necessity and desirability of, the so-called tontine deductions from the retirement allotment of Federal employees; is not generally understood or approved by the majority of customs employees therefore, be it

Resolved, That the Tampa Branch, National Customs Service Association, recommend to the National Customs Service Association, in convention assembled, that a committee be appointed within the framework of the national executive committee to carefully study and examine the complete structure of tontine deductions, and to make definite recommendations as to taking steps for legislative action looking toward its abolition.

Adopted, as amended. See also Nos. 67 and 113.

Convention Resolution No. 26. New York Resolution No. 9: Retirement for disability

Whereas a Government employee retired on disability pension is stricken from the pension rolls within a stipulated period after the examining physician certifies that he is fit for duty again, and

Whereas there have been instances where a man was stricken from the pension rolls and was unable to regain employment in his former position or in some other department or agency, therefore be it

Resolved, that the National Customs Service Association take steps to have legislation introduced to amend the Retirement Act so that an employee who is on disability pension and is later declared fit for duty by the examining physician, shall be retained on the pension rolls until he is restored to a position in the same grade as that of the position he held at the time of his retirement on disability.

Adopted, as written.

MAY 23, 1946.

STATEMENT OF THOMAS G. WALTERS, PRESIDENT, NATIONAL RURAL LETTER CARRIERS' ASSOCIATION

My name is Thomas G. Walters, a rural mail carrier, Toccoa, Ga. I am now on leave from the Post Office Department and serving as president of the National Rural Letter Carriers' Association.

On behalf of the more than 31,000 members of our organization and the more than 20,000 members of the Ladies' Auxiliary, I respectfully request permission to outline our views on retirement, as it applies to H. R. 4718 and H. R. 283.

H. R. 4718, commonly referred to as the Forand bill, seeks to amend the retirement law to make employees eligible for retirement after 25 years of service. Under the Forand bill, if enacted into law, any employee voluntarily or involuntarily separated from the service would receive an annuity computed according to one of the methods described.

S. 1422, introduced by Senator Green, of Rhode Island, is a companion bill to H. R. 4718.

The National Rural Letter Carriers' Association and Auxiliary respectfully urge the members of the House Civil Service Committee to give favorable consideration to H. R. 283, to provide annuities for widows of employees.

We desire to be placed on record supporting the 30-year optional retirement and widows' annuity legislation. In order to make this type of legislation financially sound, we agree to increased deductions, and will support legislation, even though it requires our deductions to be increased from 5 to 7 or 8 percent.

On behalf of the more than 50,000 members of the National Rural Letter Carriers' Association and Auxiliary, I desire to express our appreciation for the opportunity of appearing before this committee, and for the privilege of endorsing 30-year optional retirement and widows' annuity.

STATEMENT SUBMITTED BY JEROME J. STRAUBER, REGIONAL DIRECTOR OF PUBLICITY

The Joint Conference of Affiliated Postal Employees of Greater New York and Vicinity, representing 25,000 American Federation of Labor postal employees, at its regular meeting of May 21, 1946, voted unanimously to adopt the following resolution. We urge your favorable consideration at your committee hearings on retirement.

Whereas present annuities under the civil-service retirement system are wholly inadequate to meet the increased cost of living, and

Whereas the present large reserves in the retirement fund are still increasing and are sufficiently large to warrant much higher annuities without additional deductions, and

Whereas progressive changes in the retirement system will enable thousands to retire, thus creating additional job opportunities, particularly veterans: Now, be it

Resolved, That the New York Joint Conference of Affiliated Postal Employees of Greater New York and vicinity, in meeting assembled, endorse the following program of amendments to the retirement law:

1. A 25-year optional retirement at \$1,500 per year, without age restrictions.
2. A 30-year optional retirement at \$1,800 per year, or two-thirds of pay, whichever is greater, plus \$30 for each year of service over 30, without age restrictions; compulsory at 60 years of age; with the proviso that 5 years of grace be given to employees affected at the enactment of the bill.
3. Widows' annuity at 60 percent of the eligible annuity, until death or remarriage, and 10 percent of same for each dependent, up to 100 percent. If dependents are offspring, same shall be payable until they reach 18 years of age, unless physically disabled or attending school.
4. An increased disability retirement to \$60 per year for every year of service.
5. These amendments are to include those now on retirement rolls.
6. The Government to pay into the pension fund for those who were in the armed forces an amount equal to that which would have been so paid by those employees had they not been in the armed forces.
7. The elimination of tontine deductions.
8. All Federal annuities to be tax exempt.
9. No increase in retirement deductions: And be it further

Resolved, That copies of this resolution be sent to our national officers, for their own use, and that of the Joint Affiliated Conference on Retirement, to the Members of Congress from the State of New York, to the members of the House Civil Service Committee, and to the Joint conferences of the larger cities: Be it further

Resolved, That the Joint Affiliated Conference on Retirement be requested to have an actuary study the retirement fund, to secure expert advice of proposed benefits.

Respectfully yours,

SOL DROGIN, *Secretary*.

STATEMENT OF E. C. MALPHUS, PRESIDENT, NATIONAL ASSOCIATION OF NAVAL PLANNERS, ESTIMATORS, AND PROGRESSMEN

Our members are employed in all navy yards, arsenals, and air stations, domestic and foreign.

The membership is composed of mechanics from all trades employed by the Navy Department, and have been assigned duties as planners, estimators, and progressmen. Our members retain their membership in their respective trades in the American Federation of Labor, Congress of Industrial Organizations, and United Federation of Government Employees.

The average age of our members is about 45 years and the length of Government service about 15 years.

They work for the planning and production officers in the various activities.

We are in accord with H. R. 4718.

STATEMENT OF ARTHUR F. MCGLUE, LEGISLATIVE REPRESENTATIVE OF THE NATIONAL ASSOCIATION OF POST OFFICE CUSTODIAL EMPLOYEES

Thank you, Mr. Chairman and members of the committee, for the opportunity of appearing before you today, in the interest of H. R. 4718.

As we understand this legislation, its purpose is to give civilian employees in the Federal service, who have 25 years of service, an opportunity to retire under section 4 of the Retirement Act.

This legislation only affects employees who have rendered 25 years of service between August 14, 1945, and August 14, 1947. Now, this is a protection to the small number of employees affected, and for this reason we approve of H. R. 4718. However, we feel that the Retirement Act should be amended to make it optional for an employee to retire after 25 years of service regardless of age,

and compulsory for an employee to retire after 30 years of service regardless of age.

The paramount issue before the Congress today, is to find employment for all of our boys and girls who have returned, and are returning from the service of our country, and also to find employment for all of our citizens who were not in the armed forces through no fault of their own.

This is quite a problem, and what better way could employment be provided than to allow an employee to retire after rendering 25 years of faithful service, regardless of age, and to make it compulsory for an employee to retire after 30 years of faithful service, regardless of age.

While taking this into consideration, of course protection must be provided for the employees that will take advantage of this 25-year clause. This protection should be allowed for those employees who would retire immediately, those employees who would retire in the future, and it should be extended to those faithful employees of yesterday, who are now on retirement. We feel that an annuity of \$1,600 per year should be the minimum annuity for any employee, who has served 25 years in the Government service, and this consideration should be extended to all employees of our Government who are now on retirement.

The heads of every agency of our Government, along with Members of both Houses of Congress admit that the Federal employees need, and should receive from 14 to 25 percent increase over their base pay in order to meet the increase in the cost of living as it is today, and yet the Retirement Act remains the same.

It is the sincere desire of this organization, that you honorable gentlemen will give serious consideration to amending the Retirement Act so these most deserving people, who are now on retirement, will have their annuity increased to at least \$1,600 per year, and that any employee who would take advantage of the 25-year clause, and retire immediately, or in the future would not receive less than \$1,600 per year. Also, an employee whose salary is more than \$3,200 per year, could retire after 25 years of service on one-half of his base pay.

There is another item that should be written into the Retirement Act, and we sincerely hope you honorable gentlemen will give this item serious consideration, and that is the wife of the employee.

It is safe to say that 99 percent of the Federal employees are married, they have children, they give their children the very best that can be had on the salary they receive, and when the time comes that they must retire, many of them have not saved 1 cent. This cannot be attributed to neglect on the part of the employee, nor can it be said that the employee has wasted his money. He has been honest and faithful to his Government, and he has been honest and faithful to his family. He has fed and clothed his family, provided them with a decent home, watched over them through sickness, educated his children the very best his means would allow, and in many cases it has been necessary to assist the children after they were married, and then the day comes when the employee must retire.

The employee, and his good wife accept the annuity, and try to exist on the amount of annuity the Retirement Act provides.

This continues sometimes for years, and at other times but just a year or two, and the employee dies. What becomes of the good wife of the employee? What does the Retirement Act provide for this honest, and faithful but forgotten servant, who has gone down the line all during the years, she has met every burden, overcame every obstacle, given her all, to make it possible for her husband, the Federal employee, to render faithful, honest, and efficient service to his Government. What becomes of her? What does the Retirement Act provide for her? What becomes of this faithful, but forgotten servant, at home who has made it possible for her husband, the Federal employee, to have done an outstanding job in the Federal service all during his younger days? Does the Retirement Act provide protection for her? We plead with you honorable gentlemen of this committee, to think of this honest, faithful, but forgotten servant at home, and all we ask is that she be given the same consideration, and protection, as that received by her husband, the Federal employee. We feel, and sincerely hope, that the Retirement Act will be amended so that on the death of an employee, the annuity will continue to his good wife for the remainder of her days, in order that she may receive the same protection that her husband, the Federal employee, received in recognition of his faithful and meritorious service, a service that might not have been given to his Government, if it was not for this faithful, but forgotten servant back home. Yes, Honorable Gentlemen, this organization wishes to be placed on record as in favor of H. R. 4718 as it does, in a small way, offer some protection to a few of our fellow men, but the real protection for Federal employees has not as yet been written into the Retirement Act. We sincerely

hope that you honorable gentlemen will find it possible to give serious consideration, and quick relief to those that have been retired, and the proper protection to those that will retire immediately, and in the future, and not forgetting that faithful servant back home.

Thank you, honorable gentlemen, for this opportunity, and may God guide you in your endeavor to be of assistance to your fellow man.

Mr. RAYFIEL. Mr. Miller asked me to state that just as soon as he returns, which will be shortly after Memorial Day, these hearings will be resumed, and all those who have filed requests to be heard will be notified of the date and hour when these hearings will be resumed, and may I urge you to leave your name and address with Miss Haller, the clerk of the committee, so you can be notified when to come back again.

The hearing is adjourned to meet at the call of the chairman.

(Thereupon the meeting adjourned to meet at the call of the chairman.)

RETIREMENT AFTER TWENTY-FIVE YEARS OF SERVICE

TUESDAY, JUNE 11, 1946

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON RETIREMENT OF THE
COMMITTEE ON THE CIVIL SERVICE,
Washington, D. C.

The Subcommittee on Retirement of the Committee on the Civil Service met in the committee room, the Capitol, at 10 a. m., Hon. George P. Miller (chairman) presiding. Other members present were Hon. Leo F. Rayfiel and Hon. Edward H. Rees.

Also present were Hon. Charles R. Clason and Hon. Thomas F. Lane, representatives from the State of Massachusetts; Hon. Harry B. Mitchell, president, United States Civil Service Commission; Frank G. Bryant, president, the Washington Navy Yard Metal Trades Council, A. F. of L.; H. F. Worley, president, National Customs Service Association; Col. Charles I. Stengle, American Federation of Government Employees; Mr. George D. Riley, Government Employees Council, A. F. of L.; Mr. Clarence F. Stimson, secretary, National Association of Letter Carriers; Mr. N. P. Alifas, national legislative representative, International Association of Machinists; Mr. Luther C. Steward, National Federation of Federal Employees; Mr. E. C. Melphus, national president, Naval Planners, Estimators, and Progressmen; Mr. Douglas Lee Baker, national civil service officer, Disabled American Veterans; Joseph Nagel, secretary-treasurer and legislative representative of the National Association of Post Office Mechanics and Maintenance Employees; Mr. William C. Jason, Jr., welfare director, National Alliance of Postal Employees; John J. Barrett, president, United National Association of Post Office Clerks; Mr. Jesse Byron Manbeck, president, Columbia Typographical Union, No. 101; Mr. Fred Hawley, secretary, National Association of Retired Federal Employees; Mr. John L. Reilly, industrial secretary, Railway Mail Association; Mr. Arthur Stein, international vice president, United Public Workers of America, CIO; Mr. Joseph Drennan, Local No. 97, Sheet Metal Workers; Mr. T. K. Powell, the Norfolk Retirement Association; Mr. E. C. Hallbeck, legislative representative, National Federation of Post Office Clerks; Mr. William Preece, Newport, R. I., Naval Torpedo Station; Mr. Raymond M. Leary, Newport, R. I.; Joseph A. Sullivan, former quartermen ordnanceman, Naval Torpedo Station, Newport, R. I.; Mr. Peter F. Sullivan, former quartermen ordnanceman, Newport, R. I., Naval Torpedo Station; and others.

Mr. MILLER. The committee will come to order.

We are resuming hearings on H. R. 4718, a bill to provide optional retirement for Government officers and employees who have rendered at least 25 years of service.

Inasmuch as the House meets at 11 o'clock today, gentlemen, something which we did not foresee and very important legislation is before it, we will have to limit the length of this meeting until that hour. Congressman Forand, the author of the bill, is present.

Mr. Forand, do you want to make a further statement at this time? If so, you may do so.

Mr. FORAND. Mr. Chairman, I had no intention to make a statement.

What I was going to say to you privately I will say to you publicly. I hope in the consideration of this bill that everybody is going to put their shoulder to the wheel and get it over in a hurry.

I realize when I say that I am really asking all those who had prepared to testify, rather than prolong the hearing, to file their statements, because if we have a lot of testimony it will take some time to receive it and it will delay action on the bill, so that we will not get action on this legislation this year, and I know we want legislation rather than speeches. That is all I have to say. [Applause.]

Mr. MILLER. I was going to urge the same thing, Mr. Forand, and, your having done so, I endorse what you have said.

Congressman Clason is present and we are glad to hear from him at this time.

STATEMENT OF HON. CHARLES R. CLASON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS

Mr. CLASON. Mr. Chairman and members of the committee, I happen to be the Congressman from Springfield, Mass. In that city we have the Springfield Arsenal. During the height of the work during the Second World War effort the employment reached between 13,000 and 14,00 persons. After the war was over the employment went down to the neighborhood of 2,200 to 2,400. Due to the system in effect, it was not possible for many persons to remain in employment there. Many of them who had been employed from 15 to 25 years, and even more years, found that they were set aside and others taking their places, due perhaps to the application of the present civil-service rules, even though much younger in years. Therefore, I introduced a bill, H. R. 4223, to amend the Civil Service Retirement Act to provide for retirement of employees after completion of 25 years of service without regard to the attained age, and providing for a minimum guaranteed retirement benefit. That was irrespective of the date of October 1, 1945. That bill was referred to this committee. However, the hearings are going forward on the very same bill of Congressman Aime J. Forand, and I wish to record myself as very much in favor of the speedy passage of legislation reported by the committee along the lines of the Forand bill. I believe that it should be made retroactive because many of the people of Springfield at least lost their positions shortly after the end of the war in Europe and I would like to see the date to which it goes back set back far enough to take care of all of these workers who gave 20, 25, and more years of service to the United States Government, and I believe they are entitled to all the protection which the Forand bill offers, and I wish to be recorded heartily in favor of it.

Mr. MILLER. Thank you very much.

Gentlemen, you heard what Mr. Forand has said about time being an element in this bill, so I know those who have statements will file

them, as I know that you are all vitally concerned and vitally interested in this legislation and all those statements will be cumulative to a degree.

I want to give you all an opportunity to be heard, but in the interests of time I suggest where you have a prepared statement or brief that you file the same and limit your oral testimony as much as possible.

Are there any other Members of Congress here who want to be heard?

STATEMENT OF HON. THOMAS J. LANE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS

Mr. LANE. Mr. Chairman and gentlemen of the committee, I want to be recorded in favor of this legislation.

I welcome the opportunity to speak to this committee in reference to the bill which is now under consideration dealing with proposed amendments to the Civil Service Retirement Act. We all recognize the constant need of strengthening and extending the provisions and benefits of legislation aimed at greater social security, particularly as they affect old age and retirement. The committee is aware that I have introduced two bills, H. R. 74 and H. R. 4133, designed toward that end and with the supplementary intent of aiding reconversion and stimulating employment of younger persons by enabling older employees to retire. My remarks will express my reasons for proposing these bills, which are similar in intent to the bill now under consideration, but which I am less familiar with.

As a preface to my remarks I would like to call attention to the study directed by Lewis Meriam, recently published, which concluded that social security in the United States should offer comprehensive benefits to all who need them. Now I know that it is not necessary for me to detail the needs that do exist in this country today. But we should constantly keep in mind the as yet uneliminated factors in our economy which make provisions for adequate security for all a pressing concern. We all are too well aware that the disastrous business cycle with its dread consequences has not been eliminated as a fearful possibility of our future. And, as I say, not the least of those who are threatened with insecurity are the older people of our Nation; and retirement plans play a large part in our campaign against this type of security.

Therefore, I should like to cite several changes that I believe should be made in the existing laws, and to present brief arguments in support of my recommendations.

H. R. 74, which I introduced, provides in substance that any employee in civil service who shall have rendered 25 years of service shall be eligible for retirement on annuity and may retire on his own request. H. R. 4133 provides, in substance, that any employee who has completed 30 years of service and who has reached the age of 55 years may voluntarily retire on annuity.

Basically these recommendations are designed to meet a need which can be, and are too often overlooked. The present requirements for retirement do not account for what I call "the individual deviation from the average". The present requirements of 30 years of service and an age of 60, or in some cases of 55, equally requisite, impose a hardship on many people in our civil service who cannot complete

one or the other of the requirements. We are too familiar with the frequency of a break-down in health not to recognize the individual deviation from the average. We should be aware of the not infrequent weakening of mental vigor, the hazardous nature of a not inconsiderable portion of civil employment. We should recognize that adaptiveness and ability to meet new requirements diminishes rapidly among many people as they grow older. There are a thousand and one contingencies and impediments which cause the present requirements to mitigate against individuals who suffer from them. And not the least of such discrepancies which I propose should be remedied is the fact that many employees do not, cannot enter civil-service employ while they are young, and this is a two-way concern now as I will indicate.

It should be a fundamental consideration of ours that we have not eliminated unemployment, with all its weakening and disheartening effects on our social structure. And this prospect, which cannot be ignored, takes on a harsher significance when the veteran, the fellow who, as we cannot forget, sacrificed 3 years of his life and work for us, is threatened as he is today. And by permitting civil servants who have worked 25 years or who have reached 55 years of age to retire with protection, remembering that those who have need to retire will do so, we can simultaneously open up opportunities to the veterans and for other young people who are eligible and capable.

This question also involves the practical necessity of clearing the channels of promotion for those who have worked faithfully, can continue to do so, and whose advancement is retarded only by the lack of opportunity. Such a retirement plan would add to the attractiveness of civil service work and serve to attract capable young people to the service. It would improve personnel efficiency and limit superannuation.

Superannuation can operate to the detriment of the individual who has lost efficiency and would retire if he could, it detracts from the efficient functioning of any work which must endure it, and limits the opportunity of the young, particularly the veteran who with the just preference accorded him is prepared to work faithfully and vigorously.

The Civil Service Commission has, in spite of such advantages, recommended adverse action in the measures I have proposed. I do not know what stand they have taken on the bill now being considered, but, because of the similarity in content and intent, I would like briefly to answer their objections.

Primarily the Commission fears a substantial loss to the Government from the proposed earlier retirement of the more efficient civil employees and the delayed retirement of the less efficient. The Commission fears that the persons who would avail themselves of the option would be those who believe that they could better themselves in private life with the annuity as basic income. This after 25 years of service. Surely, the Commission must have reason to believe otherwise. The Commission surely does not seek people who are in their late fifties. It must know that even less does private industry seek such people. It must be aware of the great difficulty that people over 45 have in obtaining employment, and this is all the more true when a change from civil employment to private is concerned. Moreover,

I am convinced that there must be a particular reluctance of efficient workers to leave an agency when they have worked for so long and where, as our civil-service system strives to achieve, their efficiency has been rewarded by responsible work. I am convinced that loyalty is much greater among those who have demonstrated efficiency and where it has been recognized.

Mr. Lewis Meriam stated in *Public Personnel Problems*, a study published by Brookings Institute in 1937, the writer's own guess would be that relatively few employees will really and entirely voluntarily take advantage of early retirement provisions, although they may be influenced seemingly to take advantage of them through administrative pressure. I do not suggest that the Civil Service Commission or any other Federal agency does exert pressure on the less efficient to retire, though such would not be unnatural, but presumably the less efficient, because less well placed, would be the more likely to retire. And I repeat that those whose efficiency has been seriously retarded by the many circumstances which we cannot control should be enabled to retire.

The Commission further objects by estimating high additional costs to the retirement fund in figures in hundreds of millions of dollars. But these sums are quite boldly stated and I find no accounting for them. The figures are extravagant and because they are not fortified, or until they are, I can give them little credence. However, I should point out, that the figures are based on the presumption that if this lower option were approved all eligible employees would immediately take advantage of it, which is absurd and which the Commission itself contradicts in the same letter. I recall to your attention Mr. Meriam's observation on the same point.

Finally, the Commission objects to my proposals on the general grounds that they are "very liberal." They are liberal to the number of people whose ability to work at the peak of their skill is seriously impaired before they reach the present level set for retirement. I repeat that those who retain their efficiency will not retire. But those who need to retire and are enabled to do so will be replaced by the young, efficient, and ambitious. To these latter too, my recommendations are "very liberal"; to the veteran whom we are obliged not to pamper, but to provide opportunity for employment they are liberal.

It is not from a motive of charity, but of enlightened self-interest that society must prevent or mitigate the harmful effects of the eternal struggle of the survival of the fittest. It is from motives of enlightened self-interest that we must all take in account the individuals who suffer in that struggle and at the same time give the young and the eager broader opportunity. The amendments proposed will not be excessive, but will rather operate to the continued benefit of our Nation and its people.

Finally, as an appendix to my remarks, I strongly recommend that the House of Representatives correct the serious omission of the 1942 amendment to the Retirement Act when we failed to make increased benefits voted at that time retroactive. The aging and forgotten group of employees who retired before January 24, 1942, have continued at the lower rates and done this through 4 years of rising prices. It is high time we matched the Senate action and corrected this obvious injustice.

Mr. MILLER. Are there any questions?

Thank you very much.

The next witness will be Mr. Walter L. Disbrow, national representative, Retirement Federation of Civil Service Employees of Navy Yards, Arsenals, and Naval Stations.

Mr. DISBROW. Mr. Chairman, I submitted my statement at the last meeting, but I am submitting the statement of Mr. Frank G. Bryant, president, the Washington Navy Yard Metal Trades Council, of the American Federation of Labor. The statement is as follows:

STATEMENT OF FRANK G. BRYANT, PRESIDENT, THE WASHINGTON NAVY YARD METAL TRADES COUNCIL, A. F. OF L.

Mr. BRYANT. Mr. Chairman and members of the committee, this testimony is presented to you for the record by the Washington Navy Yard Metal Trades Council, affiliated with the American Federation of Labor, representing approximately 14 crafts employed at the Washington Naval Gun Factory, Washington, D. C. To bring to your attention the importance of your serious and speedy consideration of correcting a most grave injustice imposed upon a group of employees with 25 or more years of service with the United States Government, who were discharged due to reduction in force from the Washington Naval Gun Factory, without being given an opportunity for reemployment or retirement benefits.

The average age of these discharged employees is about 50 years, and can you visualize their prospects of gaining employment in outside industry when the Civil Service Commission will not employ anyone past 45 years of age? These men have given years of most valuable service to the Government, their ability and experience as highly skilled ordnance mechanics, and they certainly should be given some consideration as against the cost of training new men. The Washington Naval Gun Factory is the only industry in Washington in which these men can work at their trades and occupations; during the war period they stuck by their guns even though there were better offers elsewhere, but they did so because they were looking forward to retirement or old-age security which the Government had promised them by law.

Certainly this is no incentive to the younger men who are taking their places, who ask themselves the question "Is the same thing going to happen to me in 10 or 15 years from now?" When laws are enacted to create a situation such as this, what is the reason that our retirement law cannot be adjusted to give some consideration to these men who you are permitting to be dumped into the scrap pile? What has happened between Newport, R. I., and Forrest Park, Ill., is evidence enough that these men are not wanted. Having established their right to be a big part of this community, it would be a financial impossibility for them to move their families to another locality, and their only salvation is you. Certainly there is no doubt in the minds of Congress that an injustice has been done to these men, but there does seem to be a question as to how it is going to be corrected. The cost always seems to be the big bottleneck in retirement legislation. The Civil Service Commission in their report to the committee said the cost was too much, and that the best employees would avail themselves of the option in H.

R. 4718 and could better their position in private life with their annuity as a basic income. They further state that 105,750 employees would be eligible for annuity under the proposed bill. We would like to have the Commission furnish the committee with what percentage of the 105,750 employees were discharged since August 14, 1945; and how many more will be discharged by August 14, 1947.

These are the employees for whom Mr. Forand is seeking the only possible relief they can receive, being civil-service employees. They are not entitled to unemployment or old-age insurance under social security, and the only reward they have for 25 or more years of service to their Government is their discharge and to stand by and wait for 5 to 10 years to receive a reduced annuity. What is going to happen when the wolf starts knocking on the door of these men? Are they going to be forced to withdraw their retirement investment and lose their old-age security?

The great need now is to provide some income for these forgotten men, and if everything is wrong with H. R. 4718, then we are appealing to you and to the Civil Service Commission to offer a substitute. If our employees are going to continue to be discharged before they reach the age of 55 years, certainly some adjustment must be made in our retirement law.

This organization has on another occasion submitted an appeal to the Secretary of the Navy, a copy of which was sent to the House Civil Service Committee which could alleviate this situation to a great extent. I would like to call this committee's attention to that communication for a matter of this record.

The number of employees at the Washington Naval Gun Factory who were separated for reduction in force since January 1, 1946, were 2,858. Of this number 1,144 were employees with long periods of service, and who were employed before January 1, 1940. We have contacted a number of these men who had more than 25 years of service, and they have appealed to us to urge you to give them your most serious consideration in the passage of H. R. 4718. We wish to thank you for the opportunity of appearing before you in their behalf, and in the interest of all Government employees.

Mr. MILLER. The next witness will be Mr. Colie Borsare, International Association of Machinists.

Mr. DISBROW. He is not here.

Mr. MILLER. The next witness will be Mr. H. F. Worley, president, National Customs Service Association.

STATEMENT OF H. F. WORLEY, PRESIDENT OF THE NATIONAL CUSTOMS SERVICE ASSOCIATION

Mr. WORLEY. Mr. Chairman, my name is H. F. Worley, and I reside at 5353 Reno Road NW., Washington, D. C. I appear on behalf of the National Customs Service Association, of which I am the president. This is an organization of the officers and employees of the United States Customs Service of the Treasury Department. No one else is eligible for membership in our association. We have members in every State, and in Alaska, Hawaii, Puerto Rico, and the Virgin Islands. I do not assume to speak for the personnel of my other branch of our Federal service except to express the hope that they may be accorded uniform treatment.

I appeared before your subcommittee on May 23, but did not have opportunity to give oral testimony. The acting chairman of the subcommittee announced that another hearing would be held in the early part of June, and that anyone who wished to do so might file a brief or written statement. As I had planned to be absent from Washington during the early part of June, I filed a short statement which I understand has now been placed in the record. I should like to present, very briefly, an additional oral statement with the request that it be combined with my previous statement.

In addition to H. R. 4718, there are three other bills before this committee providing for optional retirement after 25 years of service—H. R. 74, H. R. 1445, and H. R. 4223. H. R. 74 is evidently the most acceptable.

I also desire to place in the record convention resolution No. 25, providing for voluntary retirement after 25 years of service at one-half the highest salary received in any one year, with a minimum of \$1,500.

We understand that H. R. 4718 is primarily intended to permit the retirement of men with 25 years' service who have been or may be separated from the Newport torpedo station and other similar plants between August 14, 1945, and August 14, 1947. There are a number of bills pending before your committee, for example, H. R. 310, H. R. 334, H. R. 3562, and H. R. 4133, providing for retirement after 30 years of service.

If H. R. 4718 cannot be given general application, we wish to record our support for any of the bills providing for retirement after 30 years.

We learn from the public press that your committee is now considering legislation permitting retirement after 30 years and that, while the Civil Service Commission has for years opposed such bills because of the additional cost, they might reconsider and approve the legislation with certain amendments and limitations.

We urge that the committee take favorable action on this subject, to permit Federal workers with 30 years of service to retire with full annuity benefits, regardless of age, at the option of the employee, even for a limited period of time.

Your committee also has before it H. R. 282, to increase the retirement annuity by 15 percent. There is attached a copy of resolution No. 15, adopted by the National Customs Service Association at its recent national convention, and we wish to record our support for an increase in the retirement annuities of those already retired or to be retired for the reasons stated in the resolution.

There is attached a copy of convention resolution No. 111 asking for prompt accounting and settlement of retirement deductions when employees are separated from the service prior to reaching the legal age of retirement. It is urged that such settlement be effected within 30 days after separation.

There are attached convention resolutions Nos. 15 and 22, with respect to annuities for widows and minor children of employees who die in the service and for widows of deceased retired Federal employees. We urge that the committee give favorable consideration to this subject.

There is attached a copy of convention resolution No. 115, with respect to birth certificates and No. 6 with respect to citizenship. The language of these resolutions is self-explanatory and we urge

that the committee give favorable consideration to both subjects, which are closely related.

H. R. 2948 was passed by the House on September 27, 1945. The Senate Committee on Finance has held hearings on the bill. If the Senate should pass the bill, we urge that you expedite an agreement on any differences in the terms of the bill as passed by the Senate so that it may be promptly enacted into law. H. R. 2948 provides for exemption from taxation on retirement annuities, subject to a maximum of \$1,440 in any calendar year. This bill would grant the same treatment and exemption to Federal employees as is now accorded to annuities under Social Security and the Railroad Retirement Acts. The enactment of this bill would be a matter of equity and fairness. I attach copy of convention resolution No. 99 (a) on this subject.

There is attached copy of convention resolution No. 104 vigorously opposing any consolidation, combination, or association of the Federal civil service retirement system with that of the social security in any manner, form, or degree. We object to the use of any portion of the 5 percent contributions by Federal employees otherwise than at present provided by law. We specifically object to giving 1.5 percent of the 5 percent to the social security to compensate those who left private industry and worked for the Federal Government less than 5 years and thus gained no retirement benefits under the Federal Retirement Act.

We do not object to justice being done to such employees—in fact, we urge that it be done—but it should not be done at the expense of the permanent Federal employees and their retirement fund, as they feel that they have a contract with their Government which should be faithfully carried out. The 5 percent contributed by such temporary employees in the Federal service over a period of less than 5 years should not be refunded to the individuals when their employment is terminated, but should be paid to Social Security for the benefit of such employees. This would give them all the benefits they desire.

That concludes my oral statement. I request that the resolutions be placed in the record without taking your time to read them. I thank you.

Mr. MILLER. Without objections the resolutions may be inserted in the record.

(The resolutions are as follows:)

CONVENTION RESOLUTION No. 22 (NEW YORK RESOLUTION No. 5)—RETIREMENT;
BENEFICIARY

Whereas the retirement law provides that upon the death of an employee in the service, the money to his credit in the retirement fund shall be paid to his designated beneficiary; and

Whereas in most cases the beneficiaries of such employees are the widows and dependent children: Now then, be it

Resolved, That the National Customs Service Association introduce and support an amendment to the Retirement Act providing that the named beneficiary who is the widow or minor child of such a deceased employee shall receive, at the option of the employee, in lieu of such lump-sum payment, an annuity payable during widowhood or minority as the case may be. Further, that such annuity shall be one-half of the annuity such employee would have received had he been retired on disability as of the time of his death.

Adopted, as amended. See also Nos. 15, 40, and 95.

CONVENTION RESOLUTION No. 111 (FLORIDA RESOLUTION No. 9)—SEPARATION
AFTER 5 YEARS; SETTLEMENT

Whereas the present legal status of Federal employees with more than 5 years of service takes a most unfair advantage of their loyalty, through refusal of the retirement board to render a settlement and accounting of retirement deductions when such employees separate from the service, prior to reaching the retirement age: Therefore be it

Resolved, That the National Customs Service Association adopt aggressive legal and legislative action to secure for the customs employees and all Federal civil-service employees, upon separation prior to retirement, and regardless of term of service, within 30 days, adjustment and full settlement of all employees' retirement refunding claims.

Referred to the executive committee for action.

CONVENTION RESOLUTION No. 6 (LOS ANGELES RESOLUTION No. 4)—RETIREMENT;
PROOF OF CITIZENSHIP

Whereas undue hardship always results on an employee and his family whenever he attempts to retire due to the difficulty of establishing proof of citizenship with the United States Civil Service Commission of himself and his wife; and

Whereas as time passes, it becomes increasingly difficult to establish eligibility; and

Whereas no good reason exists for the present dilatory method of establishing eligibility for retirement after the declared date of retirement: Therefore be it

Resolved, That the National Customs Service Association see to it that legal means are taken to make it mandatory that the United States Civil Service Commission issue a service requirement eligibility certificate prior to retirement and that retirement annuity payments start not later than 90 days from declared retirement date.

Adopted, as written. See also No. 115.

CONVENTION RESOLUTION No. 115 (EL PASO RESOLUTION No. 4)—RETIREMENT;
BIRTH CERTIFICATES

Whereas there is a great deal of inconvenience, embarrassment, and delay in starting the annuity payments of employees retired under the United States Civil Service Retirement Act: Therefore be it

Resolved, That the National Customs Service Association use whatever means is necessary to cause the law and/or the regulations of the Civil Service Commission to be amended so that said Commission would require the production of satisfactory proof of birth from each civil-service employee within one year after his permanent appointment and that such proof should be acted upon expeditiously by the Civil Service Commission and the employee be notified whether or not such proof is acceptable by the Civil Service Commission for retirement purposes, so that if the proof is not acceptable, the employee may have an opportunity to secure the required additional evidence of birth while records may still be in existence and persons who may give such evidence may be living.

Adopted as amended. See also No. 6.

CONVENTION RESOLUTION No. 99 (a) (VIRGINIA RESOLUTION No. 4)—
TAX EXEMPTION FOR RETIREMENT INCOME

Whereas retirement income received by retired employees of the Government is in most cases the very bread of life of those individuals, being usually the chief means of support; and

Whereas taxation on such income would really be double taxation since the employee's contribution to the retirement fund was taxed at the time it was initially earned along with other income of the employee: Therefore, be it

Resolved, That steps be taken to have legislation enacted exempting such retirement income from Federal income tax.

Adopted, as written.

CONVENTION RESOLUTION No. 104 (VIRGINIA RESOLUTION No. 9)—
SOCIAL SECURITY SYSTEM

Resolved, That the National Customs Service Association vigorously opposes any and all attempts to place Federal civil-service employees under the Social Security System.

Adopted, as written. Combined with Nos. 105 (part), 107, 110, 123.

Mr. MILLER. The next witness will be Col. Charles I. Stengle, American Federation of Government Employees.

**STATEMENT OF COL. CHARLES I. STENGLE, AMERICAN
FEDERATION OF GOVERNMENT EMPLOYEES**

Colonel STENGLE. Mr. Chairman, before I make a statement on this bill I want, on behalf of this group and all Government employees, to congratulate the great State of California for having unanimously returned you without having you go through an election. [Applause.]

Mr. MILLER. Thank you.

Colonel STENGLE. You were a former Government employee yourself. You are a graduate of our schools. We appreciate what California has done. We are glad that we are going to have you for two more years at least.

Mr. MILLER. Thank you.

Colonel STENGLE. We endorse this legislation and I ask the privilege of revision and extension of my remarks.

Mr. MILLER. Without objection so ordered.

The next witness will be Mr. George D. Riley, Government Employees' Council.

**STATEMENT OF GEORGE D. RILEY, GOVERNMENT EMPLOYEES'
COUNCIL, A. F. OF L.**

Mr. RILEY. Mr. Chairman and members of the committee, the Forand bill, H. R. 4718, has the unqualified endorsement of the Government Employees' Council of the American Federation of Labor. If there were any change to be suggested, the only one that I would propose would be to take the time limit off the involuntary separation. During the war there was no particular premium placed upon continuing in the job and remaining there in Uncle Sam's service. Now that the war is over there is no excuse for penalizing those men who are fast becoming our own American problem of displaced persons.

Undoubtedly you Members of Congress know that there are men today who are doing elementary and menial jobs for the mere sake of trying to continue on to fill the retirement requirements as to years. Many of these men were leadingmen, quartermen, master mechanics, and men who in their own right are skilled mechanics, and the Government is losing the fine services of those men simply because there is no provision yet in the statutes for allowing those men to have the financial competency that they reasonably believed that a grateful Government might have given them after cessation of hostilities.

With those few remarks, Mr. Chairman, I thank you for your indulgence.

Mr. MILLER. Are there any questions?

The next witness will be Mr. Clarence F. Stimson, secretary, National Association of Letter Carriers.

STATEMENT OF CLARENCE F. STIMSON, SECRETARY, NATIONAL ASSOCIATION OF LETTER CARRIERS

Mr. STIMSON. Mr. Chairman and members of the committee, I want to record my organization as wholeheartedly in accord with the provisions of the Forand bill, H. R. 4718, as far as the involuntary separation is concerned. As far as the voluntary separation is concerned, we are inclined to believe that this bill is only doing half a job. As long as you are going to provide for voluntary retirement after 25 years of service, my organization believes that this committee might well give consideration to amending the retirement law to permit any employees to retire after 25 years with full annuity, as provided in the bill; and on behalf of my organization I ask you to give that consideration.

Thank you.

Mr. MILLER. Are there any questions?

We will now hear from Mr. N. P. Alifas, national legislative representative of the International Association of Machinists.

STATEMENT OF N. P. ALIFAS, NATIONAL LEGISLATIVE REPRESENTATIVE, INTERNATIONAL ASSOCIATION OF MACHINISTS

Mr. ALIFAS. Mr. Chairman and gentlemen of the committee; on behalf of the International Association of Machinists, of which I am the national legislative representative, I want to assure the committee that we heartily endorse the Forand bill, H. R. 4718.

There is no need for extended comment. Your committee knows what the score is, so to speak, and we hope that your committee will report out the bill as speedily as it is possible in order that you might get action now that the bill is needed.

Thousands of employees have been separated from the Government service who had anywhere up to 25 or 28 years of service, and they are in need of some recognition for their long service.

I am going to avail myself of the opportunity of submitting a supplementary statement.

I thank you.

(The statement submitted by Mr. Alifas is as follows:)

STATEMENT OF N. P. ALIFAS, PRESIDENT OF DISTRICT NO. 44 AND LEGISLATIVE REPRESENTATIVE OF THE INTERNATIONAL ASSOCIATION OF MACHINISTS

As a representative of district No. 44 of the International Association of Machinists, and also the association itself, I am authorized to state that the Forand bill, H. R. 4718, has the hearty approval of the organization. The legislation is not only approved, but it is held to be urgent, in view of the drastic reductions in force in such industrial establishments of the Government as the navy yards, arsenals, and elsewhere, which have taken place since VJ-day, and in view of future contemplated reductions in force under existing reductions-in-force regulations.

While we would like to see the bill amended so that its provisions would not terminate on August 14, 1947, but would continue on indefinitely thereafter, we realize that to so amend it might jeopardize its enactment and, therefore, we urge the adoption of the legislation as introduced.

Under existing reductions-in-force regulations and in conformity with the Veterans Preference Act of June 27, 1944, all nonveterans are laid off regardless.

of their length of service and of their high efficiency, before any veteran whose workmanship is rated "good," that is 80 percent, is separated. At the Washington Navy Yard, for instance, all nonveterans of the machinists' trade with less than 17 years of service have been laid off, while several hundred veterans with only a few years of service have been retained. In many trades practically all the old-time employees who are nonveterans have been laid off, never to return, because there is no reinstatement list, as formerly.

In the navy-yard service, in particular, the turn-over is heavy. When a vessel comes in for repairs, all hands are put to work to complete the job to meet a sailing date. When the job is completed, there is a temporary shortage of work. This results in a lay-off. Nonveterans are laid off regardless of how good workmen they are or how long their service; and, since there is no reinstatement list, their places must be filled from the eligible list. Under the Veterans Preference Act of June 27, 1944, disabled veterans must be placed at the top of all eligible lists. Nondisabled veterans come next, and nonveterans, former employees, and other citizens are last on the list. Hence, the prospect of the skilled forces, which have been keeping the Navy in repairs and who have had no military service, ever returning to the service becomes increasingly slim.

Men who have reached middle age find it difficult to secure employment in private industry. The practice of barring men of middle age is gaining momentum.

In view of this situation, it seems unjust to permit old-time mechanics to be separated from the service without any means of livelihood, especially since they entered the service years ago, upon the assumption that they were entering a career service under which they would retain their jobs or at least be eligible for reemployment, so long as they maintained a good record as workmen.

Since under the above-stated set of circumstances, it is only a matter of time before all nonveterans will be eliminated from the service unless the law governing reductions in force procedure is amended, we submit that Congress should at least permit retirement after 25 years of service with full annuity for such years of service for both those who are voluntarily and involuntarily separated from the service. An employee, particularly a nonveteran, who may see the handwriting on the wall and anticipate that it may be only a short time before he will be involuntarily separated from the service, should, therefore, be permitted to secure the benefits of this act in anticipation of his ultimate and early separation under the reductions-in-force procedure, thus making room for other competent employees with less service who otherwise would be laid off; particularly since, under this act, unless he is involuntarily separated before August 14, 1947, the provisions of the act lapse and, if separated thereafter, he would be entitled to no benefits even though he has 25 years of service, until he reaches the age of 60 or 62, as the case may be.

Mr. MILLER. We will next hear from Mr. Luther C. Steward, National Federation of Federal Employees.

STATEMENT OF LUTHER C. STEWARD, NATIONAL FEDERATION OF FEDERAL EMPLOYEES

Mr. STEWARD. Mr. Chairman and gentlemen of the committee, we support H. R. 4718 as a very necessary emergency piece of legislation. It covers a group who have a general civil-service status, good efficiency ratings for the work which they are capable of performing and work to be done, and yet on account of an unusual situation they are forced out of the service.

As time is of the essence, I feel that this committee should consider H. R. 4718 as emergency legislation, with the effective date that of VJ-day with the limit not later than the close of the next fiscal year either, and to strike out "voluntary" so that it will cover just those employees who have been involuntarily separated, and keep the committee out of much broader and more controversial questions of lowering the retirement age for those who desire to take advantage of it.

If the committee goes beyond the bare features of this as emergency legislation, we feel very definitely that employees who need it most will be lost in the delay incidental to discussing and considering the larger proposal, and there will be no legislation at the present session.

Mr. REES. About what is the average age of the employees who come under this bill?

Mr. STEWARD. Well there are no definite statistics.

Mr. REES. I understand that.

Mr. STEWARD. There are a great many employees who have entered the service, even below the age of 20—18, and in some manufacturing establishments where they entered as apprentices at a lower age than that—so that 20 or 25 years of service as the general range would probably bring their ages between the early forties and early fifties.

Mr. REES. That is all. Thank you.

Mr. MILLER. Are there any further questions?

The next witness will be Mr. E. C. Malphus, national president, Naval Planners, Estimators, and Progressmen.

STATEMENT OF E. C. MALPHUS, NATIONAL PRESIDENT, NAVAL PLANNERS, ESTIMATORS, AND PROGRESSMEN

Mr. MALPHUS. Mr. Chairman, in view of Mr. Forand's statement to the committee, I would just like to state on behalf of the Naval Planners, Estimators, and Progressmen, whom I represent here, that we would like the committee to give full consideration to our previous statement submitted and we want to further go on record as still being entirely behind the bill.

It is a piece of legislation that is needed and it will take care of the men that unfortunately we find are being put out of the service at anywhere from 45 to 50 years of age, who are unable to find positions after that considerable length of time in the governmental service.

This is a piece of emergency legislation and we fully endorse this bill.

Mr. MILLER. Are there any questions?

Thank you.

The next witness will be Mr. Millard W. Rice, of the Disabled American Veterans.

STATEMENT OF DOUGLAS LEE BAKER, NATIONAL CIVIL SERVICE OFFICER, DISABLED AMERICAN VETERANS

Mr. BAKER. Mr. Chairman and gentlemen of the committee, Mr. Rice was unable to be present today and I am here in his stead. I am Douglas Lee Baker, national civil-service officer of the Disabled American Veterans.

I would like to submit a resolution passed at our convention in Chicago last year, which is in support of this bill. The resolution reads as follows [reading]:

RESOLUTION TO ALLOW OPTIONAL RETIREMENT UNDER THE CIVIL SERVICE RETIREMENT ACT

Whereas many Government agencies are now reducing their forces to the minimum, consideration should be given by the Disabled Veterans and others interested in providing full employment for disabled veterans and veterans in

the postwar period to the possibility that by lowering the retirement age, additional positions may be made available; and

Whereas many job opportunities would be available to veterans if the existing retirement law were amended to allow optional retirement to employees after 30 years of service: Therefore be it

Resolved, That so few employees are fortunate enough to accumulate 30 years of service and reach the prescribed age to enjoy the benefit of the present law, that we of the Disabled American Veterans in convention assembled in Chicago, Ill., October 19-23, 1945, go on record as favoring an amendment to the present retirement law allowing every employee the privilege of optional retirement with full annuity after 30 years of service, and, having attained the age of 55, that all veterans who have 25 years of service who are involuntarily separated through no fault of their own be allowed full annuity at the conclusion of the 25 years of service.

Mr. BAKER. Mr. Chairman, I would also like to make a few statements here.

We heartily endorse this bill except that we feel that the restrictions of said dates from August 14, 1945, to August 14, 1947, should be stricken out, and in that we agree with a number of others who already have talked here.

We feel because of the imminent reductions in forces that those positions will become scarcer and the situation should be covered by this emergency legislation. It will open up additional jobs and, since veterans are given preference, this will enable a number of veterans to get Federal jobs who would not otherwise be able to get them because they are held by older employees. There are a number of employees who have now worked 25 to 30 years who are not able to be retired because of the age limitation, so that we want to go on record in support of this bill.

Mr. MILLER. Are there any questions?

Thank you.

The next witness will be Mr. Jacob Nagel, secretary-treasurer and legislative representative of the National Association of Post Office Mechanics and Maintenance Employees.

**STATEMENT OF JACOB NAGEL, SECRETARY-TREASURER AND
LEGISLATIVE REPRESENTATIVE OF THE NATIONAL ASSOCIATION
OF POST OFFICE MECHANICS AND MAINTENANCE EM-
PLOYEES**

Mr. NAGEL. Mr. Chairman and members of the committee, the National Association of Post Office Mechanics and Maintenance Employees wants to go on record as heartily being in favor of H. R. 4718.

We feel that with this bill going into effect that it has a threefold purpose:

It makes for promotion of those who follow pensioners; and it also opens up the service for the servicemen and the veterans who will be taken into the service.

We want to go on record as favoring this bill.

Mr. MILLER. Thank you very much.

Are there any questions?

The next witness will be Mr. W. C. Jason, National Alliance of Postal Employees.

**STATEMENT OF WILLIAM C. JASON, JR., WELFARE DIRECTOR,
NATIONAL ALLIANCE OF POSTAL EMPLOYEES**

Mr. JASON. Mr. Chairman and members of the House Committee on the Civil Service, my name is William C. Jason, Jr. I am the welfare director of the National Alliance of Postal Employees. It is in behalf of these 15,000 that I submit this statement in reference to H. R. 4718, the Forand bill.

We are very definitely in favor of this legislation because we think the people primarily involved have been injured, but we also would like to see the committee go forward and provide for voluntary retirement for all civil-service employees after 25 years of service.

H. R. 4718 in our opinion should become a law. Even though it was written to provide relief for a limited group of former Federal employees, it merits influence our wholehearted support. In our opinion H. R. 4718 is not broad enough. All that we say in support of this measure applies to the features of a bill enlarged to include all civil-service employees.

H. R. 4718 is a humane measure because the word "voluntary" is therein. We know that many employees after 25 years of service find themselves failing in health. Though their health is not undermined enough to warrant disability retirement, they can see longer years of life for themselves if relieved from the routine by voluntary retirement. These men are held to the service against their best judgment and often against the advice of their physicians, merely because of the designated advanced age they must reach to be covered by pension benefits.

In view of the fact that the present law makes 15 years of service sufficient to warrant retirement when the designated years of 65, 63, and 62 are reached; and in view of the fact that the provision for voluntary retirement at the age of 55 after 30 years of service, we feel that 25 years is an ample span in service to permit an employee the election of retirement without having this election tied to any specific age.

H. R. 4718 is an expedient measure. The displacement of men in many phases of private industry looms large because of technological improvements and scientific management. At the same time, all America is interested in full employment, and the Forand bill expanded to cover all civil-service employees will be in keeping both with the present trend and their overwhelming desire. By allowing senior employees to retire after 25 years of service, the way is opened for younger people desiring civil-service employment.

H. R. 4718 can be an economic measure. In the post office field service it takes clerks and carriers 26 years to reach their maximum grade, 14, which returns them now \$3,400 per year. If a number of these maximum-grade employees retire voluntarily each year and are replaced by employees in the initial grades, we believe the Department will find a saving when the salaries of the displaced employees are placed against their pensions and the salaries of the replacing employees. Aside from this, the Department will be acquiring employees of greater vitality because of their youth. On the other hand, no employee after 25 years of service is required to leave, but may leave on his own volition.

Finally, this bill, if extended, would be in keeping with the practices of many municipalities and several States where retirement is made available after as few as 20 years for faithful service. Therefore, because the benefits of H. R. 4718 are good for the ex-employees covered, and would be better if extended throughout the length and breadth of the civil service, we heartily urge its passage as a step in the right direction for employees, agencies, and the general public.

Mr. MILLER. Are there any questions?

Is Col. John Thomas Taylor, of the American Legion, present?

(No response.)

Mr. MILLER. Is anyone here representing Colonel Taylor?

(No response.)

Mr. MILLER. The next witness will be Thomas P. Bussier, secretary, United National Association of Post Office Clerks.

Mr. BARRETT. Mr. Chairman, Mr. Bussier could not be present today and I am speaking for the association.

STATEMENT OF JOHN J. BARRETT, PRESIDENT, UNITED NATIONAL ASSOCIATION OF POST OFFICE CLERKS

Mr. BARRETT. I am John J. Barrett, president of the United National Association of Post Office Clerks.

I want to place my organization, the United National Association of Post Office Clerks, on record as being wholeheartedly in favor of the Forand bill as written.

Thank you.

Mr. MILLER. The next witness will be Mr. Jesse Byron Manbeck, president, Columbia Typographical Union, No. 101.

STATEMENT OF JESSE BYRON MANBECK, PRESIDENT, COLUMBIA TYPOGRAPHICAL UNION, NO. 101

Mr. MANBECK. Mr. Chairman and members of the committee, I am Jesse Byron Manbeck, president of the Columbia Typographical Union, No. 101, which is the oldest American labor union of Government employees, having served Government employees for 132 years as a labor union in Washington.

I want to put my organization wholeheartedly on record for the bill, the Forand bill, as written.

We follow the same plan, and have done so for 40 years in our labor union, in retiring our own members. It is about time the Government followed the plan which we have been following for more than 40 years. [Applause.]

Mr. MILLER. The next witness will be Lewis H. Fisher, general counsel, National Association of Retired Federal Employees, and formerly Chief, Retirement Division, Civil Service Commission, and also formerly retirement adviser and consultant.

Mr. HAWLEY. Mr. Chairman, Mr. Fisher could not be here and he asked me to read a very short statement on his behalf.

Mr. MILLER. State your full name for the record.

Mr. HAWLEY. I am Fred L. Hawley, secretary-treasurer, National Association of Retired Federal Employees. His letter addressed to me to be presented here today reads as follows [reading]:

STATEMENT OF LEWIS H. FISHER

JUNE 10, 1946.

Mr. FRED HAWLEY,

*Secretary, National Association of Retired Federal Employees,
Washington 4, D. C.*

DEAR MR. HAWLEY: As the representative of your association I have been advised by the House Civil Service Committee of a hearing on Tuesday, June 11, on the Forand bill, H. R. 4718.

Before learning of the hearing tomorrow I had arranged to be present at the meetings of the public retirement committee of the Municipal Finance Officers Association at Richmond, Va., on June 11 and 12.

Therefore, when my name is called at the hearing referred to, I request that you respond and explain to the committee why I was not able to be present and to give my views on the Forand bill, as follows:

With one or two minor amendments I favor the approval of the bill.

The temporary proposal has real merit for those who have become separated from their jobs without fault on their part and without the benefit of any un-employment compensation.

Under existing law they would have to wait until they reach the age of 62 to receive full annuity benefits, but they could receive a reduced annuity between ages 55 to 61, which is the actuarial equivalent of the full rate at 62.

Where, however, employees after serving 25 years are involuntarily separated without prejudice at the convenience of the Government, such as lack of work or funds, it seems only fair that a more liberal rate of annuity should be granted than is authorized under existing law.

In my judgment the words "voluntarily or" in line 7 should be stricken out. It can scarcely be considered good business policy to retire employees on their own option after 25 years of service and grant them annuities in their early forties, to be received for the remainder of their lives.

A further amendment seems desirable to indicate exactly what is meant by "involuntary" separation. An employee removed for stealing or for insubordination is involuntarily separated, but that is certainly not what is intended by the Forand bill.

After the word "service" in line 8, insert the words "without prejudice," or, preferably in the usual terms of the Civil Service Retirement Act, the words "not by removal for cause on charges of misconduct or delinquency."

The cost features of this temporary measure, with the amendments proposed, are not considered to be very large.

Thank you.

LEWIS H. FISHER,

General Counsel, National Association, Retired Federal Employees; Formerly Chief, Retirement Division, Civil Service Commission; formerly Retirement Adviser and Consultant, Civil Service Commission.

Mr. MILLER. The next witness will be Mr. John L. Reilly, of the Railway Mail Association.

STATEMENT OF JOHN L. REILLY, INDUSTRIAL SECRETARY, RAILWAY MAIL ASSOCIATION, WASHINGTON, D. C.

Mr. REILLY. Mr. Chairman and members of the committee, my name is J. L. Reilly. I am industrial secretary of the Railway Mail Association. I am appearing before your committee this morning to represent the Railway Mail Association in the absence of our national president, Mr. C. M. Harvey, who left Washington early this morning to keep an engagement that was made before these hearings were announced.

Our association has a membership of 23,000 railway postal clerks. The railway mail service may be defined as the arteries of the postal service, embracing the distribution of transit mail matter in railway systems, highway post-office routes, and air routes. It is an around-the-clock job, as continual distribution must be performed during each 24-hour period.

The national convention of our association is on record as favoring an amendment to the Civil Service Retirement Act to permit of voluntary retirement on full annuity after 30 years of service at age 55. At present the provisions of the Retirement Act do permit retirement at age 55 after 30 years of service, but only at a reduced annuity of nearly one-third of the amount that would be paid for the same number of years of service at age 60.

H. R. 4718 provides for either voluntary or involuntary retirement on full annuity regardless of attained age, and applies only to those persons separated from the Government service August 14, 1945, to August 14, 1947.

Our organization readily recognizes the need for such temporary legislation during the postwar period, and we therefore respectfully urge your committee to take favorable action on the bill under consideration.

Mr. MILLER. Are there any questions?

We will then hear from Mr. R. H. Alcorn, chairman, Joint Conference on Retirement, representative, Civil Service Employees.

(No response.)

Mr. MILLER. Is there anyone here representing Mr. Alcorn?

(No response.)

Mr. MILLER. The next witness will be Mr. Foster J. Pratt, president, International Federation of Technical Engineers, Architects, and Draftsmen's Union, American Federation of Labor.

STATEMENT OF FOSTER J. PRATT, PRESIDENT, INTERNATIONAL FEDERATION OF TECHNICAL ENGINEERS, ARCHITECTS, AND DRAFTSMEN'S UNION

Mr. PRATT. Mr. Chairman and gentlemen of the committee, in support of the Forand bill, I desire to add my testimony to that of my fellow colleagues representing the Federal employees. I believe there is an urgent need for the proposed legislation complete, without changes. In the first place, Congress has justly granted rights to veterans. However, due to the present trend of reduction in force throughout the Government service, the returned veterans are now displacing career employees who have spent the best period of their lifetime in Government service. These employees through no fault of their own or criticism of the work that they have performed are now being being displaced by veterans with only a short period of work. This problem of seniority for career employees is also one of the Government's, ranking next to that of the veterans' privileges, should be so considered, regardless of cost, as was the veterans' re-employment rights.

I disagree with the Civil Service Commission's opinion that—

The persons who would avail themselves of this option are those who believe they could better themselves in private life with the annuity as basic income, while those who would continue to retirement age will generally be the less efficient. This would be particularly true with respect to the professional and scientific groups and also to the trades and skilled occupations.

The time period contained in the subject bill of August 14, 1945, to August 14, 1947, indicates that the measure is relief for those persons who are being displaced due to reduction in force at the present time. Having been in the Government more than 24 years myself, I feel that

I can speak with experience in stating that the average employee of that length of service has molded his life to fit his employment and would not voluntarily retire without cause. He has become a specialist in his particular line of work and would be unable to find an equivalent position outside of the Government. I firmly believe that the employee should be given an opportunity to retire voluntarily as conditions may change in his employment whereby he feels he can no longer maintain his position and therefore desires to retire. Such action should be his privilege. It is evident from the Commission's own statement that less than 25 percent of those eligible to retire at the age of 60 with at least 30 years of service have exercised this option.

On behalf of the professional and scientific groups in Government service, I urge that the bill be passed as written without changes.

Mr. MILLER. Are there any questions?

Mr. REES. You raised a question there with respect to the likelihood of the men in service, 45 years of age, who might retire if they had a chance to do so under the provisions of this act, Mr. Pratt. In other words, in place of a number of the older people retiring it might be a group of middle-aged people like yourself and me.

Mr. PRATT. That is right.

Mr. REES. What is your answer to that?

Mr. PRATT. Well, I have put in more than 24 years myself.

Mr. REES. You are a young man.

Mr. PRATT. And I believe those who have been in the service and desire to continue along that line will do so. You are familiar with the Government service and the employees' desire to continue as long as their health and condition permits; but at the present time there is such a reduction in all the agencies, especially the War and Navy Departments, that we feel that this bill should be passed for their protection.

Mr. REES. The point I am making is that there is a possibility.

Mr. PRATT. Naturally there will be some who might retire.

Mr. REES. There will be some who could well be retained in the service and render a splendid amount of service to the Government who will take advantage of this, rather than the older persons, who will stay in and somewhat retard the legislation.

Mr. PRATT. I think the tendency for an employee who has been 25 years in service is that he desires to remain in that service for the length of his working period.

Mr. MILLER. Isn't that, by way of observation, the argument held out to the young men to get them to enlist in the Army and the law just passed covering retirement is that they can retire at a very early age and draw annuities the rest of their life and still be able to do something? Are they not offering that as a bid to get these young men in the armed services at the present time?

Mr. PRATT. That is right. There will be a few who, reaching the point of 25 years of service, will desire to retire, and if the civil service figures are at all accurate, there are only 25 percent who take advantage of the present 30-year retirement. I believe it would be the same with this 25-year retirement and only a very small percentage would take advantage of it.

Mr. MILLER. Of course, I think the economic conditions have a lot to do with people getting out of the Government service. Isn't that true, Mr. Mitchell?

Mr. MITCHELL. I think that is true.

Mr. MILLER. When the economic situation is low, people in the Government stick and freeze to the job, and they go outside when conditions get good.

Mr. MITCHELL. Very naturally a man will take retirement and he will take a job on the outside at as big a salary as he had before.

Mr. MILLER. Are there any further questions?

The next witness is Miss Flossie White.

STATEMENT OF MISS FLOSSIE WHITE

Miss WHITE. Mr. Chairman, I do not wish to make a statement today. I just came today to listen.

Mr. MILLER. Whom do you represent?

Miss WHITE. I do not represent anyone except Flossie White.

I am extremely interested in H. R. 4718 and I sincerely hope that it will be given the very best consideration that the committee can give to it.

Mr. MILLER. Thank you very much.

The next witness will be Mr. J. C. Williamson, legislative representative, Veterans of Foreign Wars.

(No response.)

Mr. MILLER. Is anyone here representing Mr. Williamson?

(No response.)

Mr. MILLER. The next witness will be Mr. Arthur Stein, of the United Federal Workers of America.

STATEMENT OF ARTHUR STEIN, INTERNATIONAL VICE PRESIDENT, UNITED PUBLIC WORKERS OF AMERICA, CIO

Mr. STEIN. Mr. Chairman and gentlemen of the committee, on behalf of the United Public Workers of America I wish to present our hearty support of H. R. 4718 as introduced by Mr. Forand, providing for optional retirement for Government employees who have rendered 25 years of service.

There is no question that the Forand bill, if enacted, will be a great step forward in raising the retirement standards for Federal workers. In so doing it will at the same time contribute toward the maintenance of full employment, and therefore of continued prosperity during the critical period of reconversion from a war to a peace economy.

At the same time, however, we feel that the bill should not be restricted in its application to those employees who are separated from the service before August 14, 1947. The principle of the Forand bill in providing for optional retirement after 25 years would seem to us to be valid for all Federal workers who in the future will be separated from the service. By modifying the bill in this way, it will constitute one of the stepping stones toward the maintenance of an economy of plenty and toward increasing the welfare of the American people on a permanent basis. As a matter of fact, our organization has for a long time proclaimed the principle of optional retirement on full pension for all Federal employees after 25 years of service or at age 55.

We recognize that Mr. Forand, in introducing this bill, considered it in the light of emergency legislation, and there is no doubt that

emergency legislation is essential at this time. Nevertheless, we feel that in the consideration even of emergency legislation it is desirable to examine the whole problem of retirement from a long-term point of view, so that any emergency bill which may be adopted at this time will tend toward progress in the proper direction. I should, therefore, like to direct the attention of the committee to several principles of retirement which, in the opinion of the United Public Workers of America, should be enacted into law at the earliest possible opportunity on a permanent basis.

The present civil service retirement system undoubtedly provides the highest level of pensions to be found in any large organization or establishment in this country. At the same time it must be recognized that it entails upon the employee a higher level of contribution than that made by any other substantial group of workers in the country. Thus while the civil service retirement annuities are considerably higher than those paid under the old-age and survivors' insurance program, Government workers are now contributing 5 percent of their income toward the retirement system, as compared with a 1 percent contribution on the part of workers covered by OASI.

It seems to us, further, that the civil-service retirement system was developed for, and is well suited to a Government service generally characterized by stability and permanence of employment. The system grew up in the period when we had that type of Federal service. However, during the last 12 years there has been a tremendous expansion of temporary hiring and a rapid growth of the rate of turn-over in Federal service. Thus it is generally admitted that for war service employees who are separated after less than 5 years of service, the present provisions of the retirement system do not really constitute a pension plan, but rather a system of forced savings, which are deducted from the employee's pay and returned to him upon his separation. While no one can predict with complete accuracy the future nature of the Government service in this respect, it is certainly not unlikely that the high turn-over rates and the quick expansions and reductions in employment will continue to prevail. As an example of the rate of turn-over in the Government service in recent years, I may cite the fact that the Civil Service Commission in the period of 1938 through 1944, recruited over 7,000,000 for the Federal civilian service, although at no time during that period did total employment exceed 3,000,000 persons.

In the light of the above considerations, we feel that any permanent pension plan for Federal workers should be one which will take account of the large numbers of employees whose work history will include service both in private industry and the Federal government. Therefore, an ideal pension system should be derived by a combination of the civil service retirement system and the old-age and survivors' insurance system. This would be comparable to the cases in which large corporations provide supplementary pensions to their workers in addition to the regular OASI pension. Those who are interested in this question will find a study of six large corporations—Eastman Kodak, General Electric, DuPont, American Telephone & Telegraph, Johns-Mansville, and General Motors—in the appendix to the report of the Senate Civil Service Committee on the Federal Pay Act of 1946.

In connection with any coordinated system of retirement we wish to make it perfectly clear that any system which is to be adopted should in general provide an annuity for each Federal employee not less than that which he would receive under the current civil service retirement system. We wish to make it equally clear that any such combined plan should not require any greater contribution on the part of the individual employee than the present 5-percent deduction. There is no question that these two problems can be solved in the technical working out of the details of any plan for providing joint coverage for Federal employees under the civil service retirement system and the old-age and survivors' insurance program.

Another difficulty in the present retirement system to which attention should be called is its lack of provision for an increased pension in the case of a retired employee whose wife has also reached retirement age. Since the OASI program does make such a provision, a joint coverage plan would be of benefit to all employees in this category. Similarly, the present retirement system provides no annuity for the survivors of a retired employee upon his death. Here again, a joint system would provide increased protection. The committee may be interested in a table which I have here comparing the benefits payable to selected typical workers who have work experience both in industry and in the Federal service, showing what they would receive in the way of annuities under the present separate systems and under a joint or combined plan.

Naturally, the members of the committee will want to know what the costs of such a joint system would be. A system of this type, providing that no Federal worker would receive a smaller annuity in any case than he now would receive under the Federal retirement system, providing continuous coverage whether in private industry or in the Federal service, and further providing for an increased pension in the case of a retired employee whose wife is also of retirement age, and also for survivorship insurance, has been estimated by experts to cost the Federal Government an additional 1 percent contribution over and above that now being paid. The employee would continue (during his period of Federal employment) to contribute at the rate of 5 percent, and while in private employment to contribute at the going rate under the old-age and survivors insurance system, which at the present time is 1 percent, but which is expected to go up shortly to 2 percent.

It is interesting in this connection to note that of the six corporations previously mentioned which provide supplementary plans for their workers, four—Eastman Kodak, General Electric, du Pont, and American Telephone & Telegraph—bear the entire cost of the supplementary pensions themselves, without requiring an additional contribution from the employees. We cannot see any reason why the Federal Government, which as an employer should strive to set the pattern for industry, or at least to conform to the best existing practices, should not follow the example set by these four large corporations in this respect. We have no doubt that a liberalized retirement system in the Federal service would be one of the most important factors in attracting to Government service the most able groups of workers in this country.

(The tables above referred to are as follows:)

TABLE I.—Comparison of benefits (annual basis) under present old-age and survivors insurance, present civil-service retirement system, and dual coordinated plan for persons with periods of both Government and private employment¹

Work history	Present systems			Coordinated plan		
	Com- bined amount	OASI benefits	Civil- service benefit	Com- bined amount	OASI benefits	Civil- service benefit
A. Worker with 5½ years employment covered by OASI, 6 years Government service:²						
Retirement annuities:						
Single person.....	\$240	0	\$240	\$455	\$427	\$28
Man and wife (age 65 or over).....	240	0	240	668	640	28
Survivor annuities—widow and 2 children.....	0	0	-----	747	747	-----
B. Worker with 8 years employment covered by OASI, 4 years Government service:³						
Retirement annuities:						
Single person.....	324	\$324	0	411	411	0
Man and wife (age 65 or over).....	486	486	0	616	616	0
Survivor annuities—widow and 2 children.....	567	567	-----	719	719	-----
C. Worker with 9 years employment covered by OASI, 10 years noncovered employment 4 years Government service:⁴						
Retirement annuities:						
Single person.....	0	0	0	355	355	0
Man and wife (age 65 or over).....	0	0	0	533	533	0
Survivor annuities—widow and 2 children.....	0	0	-----	622	622	-----
D. Worker with 12 years employment covered by OASI, 10 years Government service:⁵						
Retirement annuities:						
Single person.....	751	330	421	709	502	207
Man and wife (age 65 or over).....	916	495	421	960	753	207
Survivor annuities—widow and 2 children.....	578	578	-----	878	878	-----
E. Worker with 10 years employment covered by OASI, 30 years Government service:⁶						
Retirement annuities:						
Single person.....	1,476	198	1,278	1,483	510	973
Man and wife (age 65 or over).....	1,575	297	1,278	1,738	765	973
Survivor annuities—widow and 2 children.....	347	347	-----	892	892	-----

¹ Retirement annuities assume retirement at end of combined work period and at age 65; survivor annuities assume death occurs at end of total work period shown.

² Average monthly wage in employment covered by old-age and survivors insurance, \$150; annual salary in Government service, \$2,100 for 3 years, \$2,300 for 3 years.

³ Average monthly wage of \$150 in employment covered by old-age and survivors insurance; annual salary in Government service, \$2,000.

⁴ Average monthly wage in employment covered by old-age and survivors insurance, \$175; annual salary in Government service, \$3,200.

⁵ Average monthly wage of \$175 in employment covered by old-age and survivors insurance; annual salary in Government service \$2,300 for 3 years, \$2,600 for 4 years, \$2,800 for 5 years.

⁶ Average monthly wage in employment covered by old-age and survivors insurance, \$150; annual salary in Government service, \$1,620 for 10 years, \$1,800 for 10 years, \$2,000 for 5 years, and \$2,300 for 5 years.

Mr. MILLER. Are there any questions?

If not, we will hear from the next witness, who is Mr. Thomas Maddock, of the National Association of Federal Mechanics.

(No response.)

Mr. MILLER. Is any one here representing the National Association of Federal Mechanics?

(No response.)

Mr. MILLER. We will then hear from John C. Toomey, Local 664, International Brotherhood of Electrical Welders.

(No response.)

Mr. MILLER. We will then hear from Mr. W. T. Amos, Local 27, Electricians of Washington and New York.

(No response.)

Mr. MILLER. The next witness will be Harold McAvoy, national president, National Association, Post Office and Railway Mail Service Mail Handlers, Watchmen, and Messengers.

(No response.)

Mr. WHITE. That report has been filed.

Mr. MILLER. The next speaker will be Leonard Speakman, of Philadelphia.

Mr. DRENNAN. Mr. Chairman, I am speaking for Mr. Speakman. I am Joseph Drennan.

Mr. MILLER. You may proceed.

STATEMENT OF JOSEPH DRENNAN, SHEET METAL WORKERS, LOCAL NO. 97

Mr. DRENNAN. Mr. Chairman and gentlemen of the committee, I think it is necessary that this bill be passed because I know in the navy yard in Philadelphia there are some very pitiful cases; that is, cases pertaining to men who were actually on the job some 25 to 29½ years, and within the last few weeks they have been given a reduction notice, and they are familiar with the shipbuilding industry only. They have made their livelihood in the shipbuilding industry and due to their age these men are not eligible under the present retirement system, and so they cannot retire.

This legislation is wholeheartedly endorsed by not only my own union, but by the quartermen and the planners and estimators. That is about all I can report on.

Mr. REES. The fact that these men are being dismissed after 25 to 29 years of service—who are taking their places?

Mr. DRENNAN. We are having an A-1 group of navy yard veterans who are superseding them.

Mr. REES. Returned veterans who have been employed but with not as much service.

Mr. DRENNAN. These men have from 3½ to 5 years of service at the present time, with their length of service in the armed forces.

Mr. REES. Generally speaking, are they the ones who are taking their place?

Mr. DRENNAN. Yes.

Mr. REES. I have been informed that we have Waves employed there, returned Waves. Is that correct?

Mr. DRENNAN. Well there is not a Wave in my particular shop, but we have a Wac. She came back and is going to displace a man that has had considerable service, due to the fact of disability of eyesight, caused while she was in the service. Under the present and existing law there is no way, whereas she has only had 2½ years of service including the length of service she had in the armed forces, and she is going to take over the position of a man who worked there, acting as a machine operator, and that is the category she is going in. She is going to undertake to do a man's job and will be the only one in the sheet metal shop, industrial department, in the present status.

We have some others still in the armed services who will be coming out in the near future.

Mr. REES. And will be engaged in mechanical work and they will take the place of men who have been in there for many years.

Mr. DRENNAN. Yes, sir.

Mr. MILLER. Do you think that will raise the morale of the shop?

Mr. DRENNAN. I do not recommend it very highly. In my opinion these women should be put into the clerical positions where it would not take physical strength. I have handled quite a few classes of grievances of women during the war and usually it was due directly where they had to carry something and did not want to do it. Some will tell you they could not carry 25 pounds around the shop or from one end of the shop to the other, and then you will talk to them in off moments and you will find out that they have carried a 2 or 3-year-old child all around the neighborhood and at their homes during the evening, but yet when you ask them to carry 25 pounds for half a square, they balk on it. They should not engage in the mechanical force's work.

Then, too, we also have a lot of welding in our present system today and the fumes bother them. All safety precautions were taken, but they still bothered them, and we could not get them to maintain any particular part of it. The only position we could actually give them that they could do was a filing job and get them to do it.

Mr. REES. Of course, they were war service employees.

Mr. DRENNAN. Yes, but the ones who went out and are coming back as veterans, they are being put on permanent status if they can claim disability.

Mr. MILLER. And they come there through their war-service units?

Mr. DRENNAN. That is right.

Mr. MILLER. Thank you.

Mr. MILLER. We will now hear from Mr. T. K. Powell, of Portsmouth, Va.

STATEMENT OF T. K. POWELL, NORFOLK RETIREMENT ASSOCIATION, LEADINGMEN'S ASSOCIATION, AND VARIOUS ALLIED GROUPS

Mr. POWELL. Mr. Chairman and members of the committee, I would like to call one particular thing to the attention of the committee, and that is in regard to the future; if we wish to seek the highest type of employees for the civil service, we should have some type of inducement to offer. As it has been stated previously, the inducement held out to the young men to enlist in the Army is retirement at the end of 20 years. They can retire at an early age. I do not see why we should not attract to the civil service a better type of employees who would look upon this plan with favor and the possibility of insuring his future in some small measure.

I would like also to say that I represent the Norfolk Retirement Association, the Leadingmen's Association of the Norfolk Navy Yard, and I am empowered to speak for the various groups there who have collaborated and endorsed this bill wholeheartedly.

We are in favor of voluntary and involuntary retirement because there are many who have been unable to secure disability retirement due to the rigid restrictions and the absence of rules, who could under

this particular plan retire under the voluntary clause. They have not reached the age and have no other way of so doing.

I would like to present my community, which embraces about 100,000 civil-service employees altogether on record as being in favor of this legislation.

Thank you, Mr. Chairman.

Mr. MILLER. Are there any questions?

Thank you.

We will next hear from James Kline, of Brooklyn, N. Y.

(No response.)

Mr. MILLER. The next witness will be E. C. Hallbeck, legislative representative, National Federation of Post Office Clerks.

STATEMENT OF E. C. HALLBECK, LEGISLATIVE REPRESENTATIVE, NATIONAL FEDERATION OF POST OFFICE CLERKS

Mr. HALLBECK. Mr. Chairman and members of the committee, my name is E. C. Hallbeck, and I am appearing this morning as the legislative representative of the National Federation of Post Office Clerks.

It is my understanding that while a number of bills dealing with the question of civil-service retirement are before this committee, primary consideration is being given to H. R. 4718, by Representative Forand. I want to endorse H. R. 4718 as a temporary expedient because I know that there is immediate need for such legislation. Congressman Forand himself, in a very eloquent statement to this committee, has presented a number of convincing reasons for its enactment, and has outlined for the committee the situation pertaining to the naval torpedo station at Newport, R. I., where a large number of employees with periods of Federal service ranging to almost 30 years, but lacking the necessary age qualification to be eligible for civil-service retirement, have almost without notice been deprived of a means of livelihood by the closing of the station. That situation is not peculiar to Newport, nor to the Naval Establishment. A similar condition is likely to arise with respect to surplus employees in the postal service in the very near future.

Congressman George D. O'Brien, of Michigan, has introduced a bill, H. R. 4845, similar to H. R. 4718, which is applicable only to post-office employees, and Congressman De Lacy has introduced H. R. 5520 which has been favorably reported by the Committee on Naval Affairs. Section 8 of the De Lacy bill, like the bill by Mr. O'Brien, would permit optional retirement after 25 or more years of service to a specific group of employees. I believe it would be a wiser plan to enact legislation applicable to all employees, and in my judgment this can best be accomplished by the Forand bill.

While the members of our organization believe there is need for a complete overhauling of the retirement law, I realize that there is not sufficient time to enact such legislation prior to the contemplated summer recess. Nevertheless, I want to suggest to this committee that study should be given to the question of permanently reducing the optional retirement features of existing law.

Making adequate provisions for a reasonable form of annuity benefit for the widows and dependents of employees who die before reaching retirement age;

Such changes as will insure an annuity in an amount sufficient to maintain at least the minimum comforts of an American standard of living.

I appreciate the opportunity of appearing before you in support of the Forand bill, and desire to express my thanks for the kindness of the chairman and the committee.

Mr. MILLER. The next witness will be Jerome J. Strauber, of the Joint Conference of Affiliated Postal Employees.

(No response.)

Mr. MILLER. Are there any other people here who wish to be heard, whose names were not listed?

Are there any others?

STATEMENT OF WILLIAM PREECE, NEWPORT, R. I., NAVAL TORPEDO STATION

Mr. PREECE. Mr. Chairman and gentlemen of the committee, I am William Preece, of the Newport, R. I., Naval Torpedo Station. At the present time I have 30 years and 4 months service in the naval torpedo station. I went there as a boy, like some of my colleagues, and we started to learn the explosive trade. That is the only trade we know. Now we are around 48, 49, 50, 51, and 52, years of age, and all under 55. We reached the grade of quartermaster, and we all have had about 300 employees under our jurisdiction. We went there before the First World War, and have worked all through the Second World War. Then we have been demoted to first-class ordnance men. We held that rate for about 3 months and then were demoted to general helper and we held that rate for about 4 months; and then they gave us our notices of separation for the third time on May 10, in the explosives division. I find that we have about 15 supervisors, and they all range from 25 years to about 35 years; and of that group there is no possibility of anyone retiring.

We do not know any other work; the only work we know is explosive work. I have made three trips down to Washington with the postwar commission and took our case before the Navy Department, Secretary Forrestal, Admiral Halsey, and saw his aides, and they say they are sorry and that there is nothing they can do that they are closing down the torpedo station. They tell us they appreciate our skill, and they say there is nothing they can see in the future for us, but they were heartily in accord with a liberalization of the pension laws to take care of us in our old age. Secretary Forrestal stated that on September 24, 1945.

I was down here again last week before the Appropriations Committee and Admiral Clapp informed the Appropriations Committee that there was a bill in Congress to take care of these men, meaning the Forand bill.

So, in closing, gentlemen, I not only include myself but the group from Newport with me, and I just want to go on record to say we favor the Forand bill.

Thank you, very much.

Mr. MILLER. I thank you, very much.

Are there any questions?

Mr. REES. You say they are closing down the place, and letting your employees out?

Mr. PREECE. Yes, sir.

Mr. REES. They are not going to continue that work at all?

Mr. PREECE. No, sir; they closed down the whole torpedo station, and in the explosives department at the present time they have five men and they had about 4 or 5 years service; they came back from the war as GI's, and they gave them a job for a year, and the five men do not total 25 years of service years whereas five of the old timers would total 150 to 160 years.

Mr. REES. The point I am making is that particular service will not be carried on any longer?

Mr. PREECE. They are closed now.

Mr. RAYFIEL. How many men lost their positions by the closing of the plant?

Mr. PREECE. At Newport?

Mr. RAYFIEL. Yes. How many men had served 25 years service there?

Mr. PREECE. I would say between 250 and 300.

Mr. RAYFIEL. What is the average age?

Mr. PREECE. I would say, 47, 48, 49, 50, and up to 53. I would say the average age was 51 years. A man that age cannot get a position any place. A lot of the men down there have applied for work, and they have been told they were too old. The companies said we were too old, that if they employed us their insurance would cost too much; and they said the insurance would break them; and they wanted to know what the Government has done for those fellows who had been in the Government service for 20 to 25 years, mentioning that the men had paid into the annuity fund; and they asked why not put that annuity into the insurance company?

It is the old story that we had faith in our Government and for year after year we thought there was some security. In the past we could have gotten positions with the du Pont people who wanted to hire us some years ago, and we would have been paid much more money for our work, but we did not accept. Then we were advised by Government officials to stay in, that we had longevity, and that in an outside plant they might lay us off in a few years and we would lose everything; so we worked for less pay; and now we come to the time when we are put out without anything at all.

Mr. REES. You could not lose everything; you do not quite mean that, do you?

Mr. PREECE. I am 51 years old. I have not got a job. What is going to keep me for the next 4 or 5 years, and then when I do get a pension it actually will be so small I could not live on it, and I cannot get a job because of my age, and no one will hire me because of my age.

Mr. REES. The record will show you will not lose everything; you do have an accumulation to which you will be entitled, when you do reach the retirement age under the present law.

Mr. PREECE. That is true; we put that annuity in the Government, and we do not get that at all.

Mr. RAYFIEL. Practically all the 250 men whom you say lost their positions by reason of the closing of the plant have never worked at anything else in all their lives?

Mr. PREECE. That is right; the explosives business; machinists worked there all their lives and when the business closes down it is the

only industry in Newport. There is no other industry and the reason that is the case is because that torpedo station is 80 years old, and what industry would come in there in competition? This has been a great shock to us, because as I say for over 80 years machinists learned their trade and the explosives people learned their trade. Now the whole business shuts down and there is no employment outside of the torpedo station. That is the only industry they have in Newport, a city of 35,000 people. There is now nothing there where you can get a job.

Mr. MILLER. Are there any questions?

Mr. RAYFIEL. No, sir.

Mr. MILLER. You mentioned hazards you had to overcome when you applied for employment at your age, the great expense of compensation insurance. You actually applied for employment?

Mr. PREECE. No, Mr. Chairman; I came down here looking for employment; but other men have.

Mr. MILLER. They do find that employers are hesitant to employ men over 45?

Mr. PREECE. That is a fact.

Mr. REES. Is that because in some cases you might break down or develop hernias or something of that nature?

Mr. PREECE. That is right.

Mr. REES. That would increase the employer's compensation insurance?

Mr. PREECE. Yes, sir.

Mr. REES. From a favorable experience that he now has?

Mr. PREECE. Yes, sir.

Mr. REES. They say that is a very distinct hazard?

Mr. PREECE. They do, sir.

Mr. REES. It is not a hazard, but an impediment that they have got to get around?

Mr. PREECE. They figure a man at that age is likely to develop anything and anybody is not in the best of health at 50 or 51 years of age, and it would be only a short time when something would come about and the Government had the best years of a man's life. For example, I was 15 years old and I worked and got laid off and I got a job on the outside. I came back and I have had 30 years and 4 months service altogether.

Mr. RAYFIEL. Most of that work was hazardous work?

Mr. PREECE. Explosives work; that is all I know. I do not know anything else except explosives.

Mr. REES. Just one more question. As I understand, that Newport Torpedo Station problem is a separate problem and as you suggested it closed down that plant entirely?

Mr. PREECE. Yes, sir.

Mr. REES. But the Government does have torpedo plants in other parts of the country?

Mr. PREECE. Forest Park, Ill., Mr. Rees.

Mr. REES. It is a rather new plant?

Mr. PREECE. It was established during the war and is 4 or 5 years old. At our plant they have a few helpers but all the manufacturing has ceased entirely. The Forest Park plant in Illinois opened in 1941. Now all work was transferred to Forest Park in Illinois.

Mr. REES. Did they offer you a chance to go to Forest Park?

Mr. PREECE. No, sir; that would be another handicap if they had us go to Forest Park. These men with their years of service, all have their homes down there and they have worked and partly paid for their homes, and they have their children in school, and in order to work in a place like Forest Park they would have to sell their homes and take their children out of school and move out there. However, that would not do any good because they do not make explosives at Forest Park. Then, too, we would have a hard time, starting all over again at a new place at the age of 51 or 52, and trying to make a living at a new place, and as there is no explosives plant there, we would not be able to get a position there.

Mr. REES. If there is an explosives plant somewhere else that is operated by the Government, I was trying to find out whether or not the Government or the Navy Department was offering these men who have the seniority of service a chance to be employed in other plants?

Mr. PREECE. No, sir; I was called down here and they wanted one man out in an explosives plant, and there was a chance for one job, and that was all, and it did not materialize.

Mr. RAYFIEL. How many were employed in similar work in Newport?

Mr. PREECE. In Newport we had about 1,100, but they were not all Newporters. There were about 400 to 500 Newporters but they had 25 years—12, 15, 18, 20, and 25 years' service. There were about 400 to 500 in explosives.

Mr. PREECE. There were about 400 to 500 working with explosives.

Mr. RAYFIEL. And you say you knew of only one person offered a similar position in the country?

Mr. PREECE. Yes, sir.

Mr. MILLER. Thank you.

Who else wishes to speak?

STATEMENT OF RAYMOND M. LEARY, NEWPORT, R. I.

Mr. LEARY. Mr. Chairman and gentlemen of the committee, I am Raymond M. Leary, of 73 Roseneath Avenue, Newport, R. I.

On October 27, 1906, I started employment at the Naval Torpedo Station, Newport, R. I. March 1, 1946, I was separated due to the curtailment of naval activities.

During that long period time—39 years and 4 months—I worked up through the various grades to the rating of shop planner.

On September 24, 1945, I was disrated from shop planner to first-class machinist due to the reduction in force.

On March 1, 1946, I was separated as a first-class machinist. I was then offered the position of general helper which I found it necessary to accept at a reduction in pay of 25 percent.

Many of the skilled help that have been separated have taken jobs at a reduced rating, only to find that in most cases they are of a temporary nature, and in a short time find themselves separated again.

My age is 54, and under the present civil-service laws I am too young for a pension, but too old to get a job elsewhere.

During my long period of service, close to 40 years, I have had no delinquencies, have taken no sick leave, and my last efficiency mark was excellent.

In view of the foregoing I feel that the treatment afforded me, and many other old-time employees of the Navy Department, is pretty shabby and all due to a law that was fitting in 1906 but certainly should be changed in 1946.

I earnestly request that you give H. R. 3718 your serious consideration, for if this bill were to be enacted into law it would tend to alleviate a sad situation that many old-time civil-service employees now find themselves in through no fault of their own.

Mr. MILLER. Thank you very much for your statement.

We will now hear from Mr. Joseph A. Sullivan of Portsmouth, R. I.

**STATEMENT OF JOSEPH A. SULLIVAN, FORMER QUARTERMAN
ORDNANCEMAN, PORTSMOUTH, R. I.**

Mr. SULLIVAN. Mr. Chairman and members of the Civil Service Committee, I am Joseph A. Sullivan, former quarterman ordnanceman, of Brownell Lane, Portsmouth, R. I. I wish to submit a brief statement in regard to my status as a Government employee.

From May 1917 until May 1946, I was employed at the Naval Torpedo Station, Newport, R. I. I entered the Government service at the age of 18 years and up to the time of my separation I worked up from ordnanceman to quarterman ordnanceman.

For the last 10 years I was a supervisor on all kinds of explosives for the Navy Department, also in the manufacturing, storing, and shipping of same.

For 2½ years as quarterman ordnanceman I had complete charge of the explosives division during night shifts, having charge of 200 employees and supervisors.

In order to hold employment I was one of those forced to accept a demotion on January 2, 1946. This work was cleaning up and handling of heavy machinery.

On January 26, 1918, I was seriously injured in the explosion at the torpedo station in which 13 persons were killed. While confined to the naval hospital, Captain Beach, who was captain of the station at that time, with the Assistant Secretary of the Navy, visited me and assured me that I would always be taken care of.

Since my demotion I have tried to obtain employment elsewhere but not at the age of 47. I have not been successful.

Through no fault of my own, after 29 years of faithful and conscientious service to the United States Navy I am now separated from the United States Government service as of May 10, 1946.

I am asking you, gentlemen, to help me and others in my status by your support of legislation for full retirement after our long years of faithful and conscientious service.

Mr. MILLER. Were you offered employment at Forest Park, Ill.

Mr. SULLIVAN. No, sir: we were all called down and they were to select one man and they never did. That was at reduced rating, too.

Mr. MILLER. Are there any further questions?

Mr. REES. How many were employed in this particular work in which you were engaged at the Newport plant?

Mr. SULLIVAN. Five hundred; and we did have 1,000 at the height of the war.

Mr. REES. I have no further questions.

Mr. MILLER. How many people did you say were killed in that explosion?

Mr. SULLIVAN. Thirteen were killed. I might say I have been disabled all my life, but not enough to collect disability.

I think we ought to support the Forand bill, as there are many cases like this.

Mr. MILLER. Thank you, Mr. Sullivan.

Is there anyone else here now representing any organizations that has not been called?

Mr. PETER F. SULLIVAN. Mr. Chairman, I would like to make a short statement.

Mr. MILLER. We will now hear Mr. Peter Sullivan.

**STATEMENT OF PETER F. SULLIVAN, FORMER QUARTERMAN
ORDNANCEMAN, NEWPORT, R. I.**

Mr. SULLIVAN. I am Peter F. Sullivan, former quarterman ordnanceman, 4 Bliss Road, Newport, R. I. I wish to submit a brief statement in regard to my status as a Government employee.

On April 5, 1911, at the age of 17, I received employment at the Naval Torpedo Station, Newport, R. I. My employment was as ordnanceman on all types of explosives work for the United States Navy. I was promoted to the position of quarterman ordnanceman with the responsibility of a force of 150 employees.

On December 29, 1945, in order to hold employment, I was forced to accept a demotion as a general helper, my duties being sweeping floors and other menial jobs. On May 10, 1946, after 35 years and 1 month service with the United States Government, and at the age of 53, I was separated for the second time.

Having been separated from my employment through no fault of my own, I appeal to you, gentlemen, to help others as well as myself by your support of legislation for full retirement, after our long years of faithful service.

Mr. MILLER. Thank you for your statement.

Mr. REES. Mr. Chairman, I assume we should take care of these out-of-town people. I want to spend some time and discuss this matter with members of the Civil Service Commission and probably others who are available here in Washington.

Mr. MILLER. Is there anyone here from out of the city who has not been heard who wants to appear at this time?

(No response.)

Mr. MILLER. We are about to conclude this session. Is there anyone present who wants to appear before the committee who has not appeared?

(No response.)

Mr. MILLER. That concludes our witnesses for today.

Mr. REES. I assume there is no one else here who wants to be heard.

Mr. MILLER. Do you, Mr. Rees, want to proceed with a discussion of this legislation with Mr. Mitchell of the Commission?

Mr. REES. Yes.

Mr. MILLER. Then we may be called to the floor at any time. I would like to set a date for the next hearing now, so that we could continue.

Mr. REES. I will be glad to cooperate.

Mr. MILLER. Will next Thursday be all right?

Mr. REES. That will suit me.

Mr. RAYFIEL. That suits me.

Mr. MILLER. Then when we adjourn today we will do so, resuming Thursday morning at 10 o'clock, if it is necessary to continue the hearing, and I presume it will be.

Mr. REES. I would like to ask Mr. Steward a question or two first. I want your opinion, Mr. Steward, about one or two items, which have been raised in this discussion.

One of them is this: I think you said you are in favor of regarding this as a temporary measure?

Mr. STEWARD. Yes, sir.

Mr. REES. And you feel these dates in the bill should remain August 1945 to August 1947?

Mr. STEWARD. Yes, sir.

Mr. REES. And I just want to have you elaborate to this extent. Do you think that this emergency—I do not mean emergency generally, but emergency as far as employment is concerned—might be over at that time, or why do you fix those dates? I am not disagreeing with your opinion.

Mr. STEWARD. Because, Mr. Rees, we feel it safe to assume that by 1947 the demobilization will have reached its conclusion, and those who are entitled to various preferences provided for those who have been in the armed forces and getting positions in the Federal service will have had an opportunity to avail themselves of the opportunity and there will be a period from then on of normality of Federal employment, as to that aspect of it.

If I may repeat, in view of the urgency of this situation, and its application to a limited number of the older service employees, I feel it should not be tied up with and encumbered with the much broader question of lowering the age of retirement, which is highly controversial and could serve only to delay, impede, and possibly to defeat the relief which is so necessary for this small group who are suffering a very unusual form of injustice; one that is not contemplated.

There has never been a guaranty in respect to civilian Federal employment of continuity of tenure, but it has been the general practice with only negligible exceptions that where an employee receives an employment as a result of whatever competitive test was given him, and continued to maintain a satisfactory standard of performance and do work for which he was qualified, he was continued in his position.

Now with the protracted war and the tremendous number of those who entered from civilian Federal employment into the armed forces, and they having been granted specific rights under legislation enacted by the Congress, we have a condition where the Government of the United States as the employer clearly owes a particular and peculiar duty to relieve this group who are caught between the upper and the nether millstone by this unusual condition and relaxation of the merit, what amounts to an amendment of the retirement law on a permanent basis, lowering the age or doing anything else, but it should not be attached to this particular emergency legislation.

Mr. REES. The Commission has included a statement here estimating that 101,750 employees may be eligible for this annuity if they take advantage of it?

Mr. STEWARD. Doubtless the Commission in making that estimate was considering the appearance of the word "voluntary" in the Forand bill?

Mr. REES. That is right.

Mr. STEWARD. May I say before the committee that I asked to have that eliminated because it might be that to leave "voluntary" in this legislation would add to the categories and that would involve a great many who have not suffered any injustices of the character of which we had ample testimony during this hearing, and that would also largely increase the expenses.

In the general rule all cases of employees who desire to retire, that is to my mind beside the mark in connection with this hearing.

Mr. REES. I meant to follow my question, Mr. Steward, by asking you if you had an opinion how many would be included under this bill under the "involuntary" section? If you have an opinion or estimate I would like to have it; although I do not want to press it.

Mr. STEWARD. I do not believe it would exceed 10,000. We had it brought to our attention not only in the War and Navy Departments, but there are instances in the postal services, and isolated instances running throughout the entire system. On a reasonable estimate I should not believe that confining it to "involuntary" separation that it would exceed 10,000 persons.

Mr. REES. That is the thing I wanted to find out. You see that is only 10 percent.

Mr. STEWARD. It is the "voluntary" which causes the civil-service actuaries to make that large estimate.

Mr. REES. You estimate only about 10 percent of those who have had more than 25 years of service would be retired?

Mr. STEWARD. Of course on "involuntary" that would include those dismissed for acts of delinquency and misconduct.

Mr. REES. All right; thank you.

STATEMENT OF HON. HARRY B. MITCHELL, PRESIDENT, CIVIL SERVICE COMMISSION

Mr. MILLER. Mr. Mitchell, do you want to be heard at this time?

Mr. MITCHELL. The Civil Service Commission is not opposed to this bill as written, except for the word "voluntary." That entirely changes the picture when you put that word in there, and is concerned only with the matter of cost. You realize the desperate situation they had at Newport, R. I., and other places. Whether or not you leave that word "voluntary" in is up to the wisdom of Congress. It is a public question. Our actuaries have estimated each person who retires after 25 years would mean that the Government would have to pay \$4,000. In other words we estimate if 5,000 were retired it would cost \$20,000,000. Since Mr. Steward estimates there would be 10,000 who would voluntarily accept it, then the total amount would be \$40,000,000, according to that estimate; and of course we are unalterably opposed in the Commission to extending this indefinitely. It should be really considered as an emergency measure for those who suffered by the conditions which we have gone through and who will suffer in the future.

That is all the statement I care to make. I will be glad to answer any questions.

Mr. MILLER. Do you think the top limit of August 14, 1947, will catch all cases?

Mr. MITCHELL. Of course that is entirely a matter of opinion. I presume Congress could, if it saw fit, extend this legislation for another year. I should think 1947 would pretty well iron it out, but that is entirely a matter of opinion.

Mr. MILLER. I think we will have to conclude. I presume you [Mr. Rees] want to ask a number of questions?

Mr. REES. Yes, I do.

Mr. MITCHELL, will you come back next Thursday?

Mr. MITCHELL. Yes, sir. I might add that to continue this legislation indefinitely would be very dangerous for the whole retirement system.

Mr. MILLER. The committee will be in recess until Thursday morning at 10 o'clock.

(Thereupon the committee recessed to meet on Thursday, June 14, 1946, at 10 a. m.)

(The following was submitted for the record:)

NEW YORK FEDERATION OF POST OFFICE CLERKS,
New York 11, N. Y.

A BRIEF STATEMENT ON BEHALF OF A LIBERALIZED RETIREMENT PROGRAM SUBMITTED BY THE NEW YORK FEDERATION OF POST OFFICE CLERKS, LOCAL No. 10, N. P. P. O. C.

Present annuities are wholly inadequate to meet increased costs of living. The average postal worker still retires on \$1,200 per year, on which he must support himself and his wife. Surveys conducted by Government agencies, and by labor and private bureaus, all place basic living needs for 2 people at \$2,000 per year and upward. Present annuities are also subject to taxation, thus further cutting into an amount already far from adequate.

The surplus in the retirement fund is upward of 2¼ billions of dollars. With increased deductions, by virtue of increased salaries, the surplus will continue to increase. This sum should be made available to participants in the fund in the form of liberalized retirement benefits.

Retirement benefits have not kept pace with increased contributions. At the outset, contributions were made on a basis of 2½ percent (on an average base pay of \$1,800 per annum), and benefits were \$720 per year. Later deductions were set at 3½ percent on an average base pay of \$2,100 per year and benefits were set at \$1,000, then at \$1,200 per year. Today, deductions are at 5 percent on an average base pay of \$2,900 per year, yet retirement benefits still average \$1,200 per year.

Private industry has in many cases introduced liberalized retirement plans to supplement social security. To take a few examples: R. H. Macy & Co., New York, N. Y., provides an annuity free of cost to employees averaging \$720 per year; E. I. duPont de Nemours Co., of Wilmington, Del., has a similar set-up. Adding these benefits to social security, the total would be about \$1,740 per year, or more than our present retirement provides for.

A liberalized retirement set-up will enable thousands of employees to retire, thus providing jobs for many returning veterans.

Reducing the optional age for retirement, without at the same time increasing the benefits, can be of no avail to the veteran of the postal service contemplating retirement at today's price levels.

A 30-year optional retirement should be made available at \$1,800 or two-thirds of salary, whichever is the greater; plus \$30 for each year of service over 30, compulsory at 60 years of age, the compulsory features to take effect 5 years after enactment.

A 25-year optional retirement should be made available, with a minimum retirement of \$1,500 per year.

There should be set up an adequate and suitable pension for widows of retired employees amounting to 60 percent of the deceased employee's annuity, plus 10 percent for each dependent child, up to 100 percent of annuity.

An increased disability retirement should be legislated, increasing benefits to \$60 per year for every year of service.

The above amendments should be extended to those now on the retirement rolls, as they too must meet present-day living costs.

The Government to pay into the retirement fund for those who served in the armed forces, a sum equal to that they would have so paid had they been employed continuously in the postal service.

Pensions should be tax exempt as the money with which they were purchased was already taxed, and because pensions are uniformly too small to be taxed without impairing the basic value of pensions.

Respectfully submitted on behalf of the New York Federation of Post Office Clerks.

OTTO GOTTLIEB,
Legislative Representative N. Y. F. P. O. C.

STATEMENT OF HAROLD McAVOY, PRESIDENT, NATIONAL ASSOCIATION OF POST OFFICE AND RAILWAY MAIL SERVICE MAIL HANDLERS, WATCHMEN, AND MESSENGERS

Mr. Chairman and members of this committee, my name is Mr. Harold McAvoy, national president of the Post Office and Railway Mail Service Mail Handlers, Watchmen, and Messengers.

I would like to at this time bring before you the problem of the men I represent under the present retirement set-up. Prior to 1942 all postal employees contributed 3½ percent of salaries earned toward our pension fund. This provided for all postal employees who reached retirement age the sum of \$1,200 per year. Contributions by the men I represent amounted to \$56 per year.

With the enactment into law of the Ramspeck bill, in 1942, the contributions were raised from 3½ to 5 percent. Said increase only tended to increase from \$56 per year to \$80 per year the contributions to the pension fund of the men I represent.

The enactment into law of Public Law 134, July 1, 1945, increased our basic salaries from \$1,600 to \$2,000. Same brought our contributions from \$80 per year to \$100 per year, although our group still received the same \$1,200.

On May 21, 1916, H. R. 5059 became law. This increased our basic salary to \$2,400 per year and, on July 1, 1946, our basic salary will be \$2,500. Before 1942, when our group received \$1,600 per year, we contributed \$56 per year to the pension fund and upon retirement would receive \$1,200. As of July 1, 1946, we will contribute \$125 per year to same fund, and only receive \$1,250.

Therefore I would like to go on record that said amount, \$1,250, be amended to read \$1,500 per year upon reaching retirement age, and that the total years be amended to read 25 years, optional, with the postal employee. The above organization would also like to go on record for the Rees bill (H. R. 2498). Same would create an income-tax exemption for civil-service annuitants receiving no more than \$1,440. The Morse bill (S. 896) to recompute annuities. The above organization feels that the above recommendations are justly deserved by all postal employees.

Thank you, gentlemen, for the privilege of appearing before you in the name of the above organization.

THE PANAMA RAILROAD EMPLOYEES ASSOCIATION,
Balboa, C. Z., June 10, 1946.

HON. JENNINGS RANDOLPH,
Chairman, House Committee on the Civil Service,

The Capitol, Washington, D. C.

DEAR CHAIRMAN RANDOLPH: Will you be good enough to include in the printed proceedings of your committee studying the Forand 25-year retirement bill the position of the Panama Railroad Employees Association?

We consider this bill essential toward meeting emergencies such as now exist in the postwar civilian service. Its renewal is indicated at any time there is contemplated a further reduction in whatever service is involved.

Particularly on the Isthmus do we want to see progressive retirement in force because, as you realize, extreme climates are not conducive to great longevity.

We would be favorable toward eliminating any time element in the Forand bill with the thought that it should be continuing legislation. However, if in the wisdom of your committee, it is desired to retain that feature, it should be retro-active sufficiently to include the entire defense period as well as war period.

Thank you for your attention to this expression of our views.

Sincerely,

GEORGE J. HERRING,
Acting Secretary-Treasurer,
The Panama Railroad Employees Association.

PORTSMOUTH, N. H., June 5, 1946.

HON. AIME J. FORAND,
Member of Congress, House Office Building,
Washington, D. C.

MY DEAR CONGRESSMAN: The Planners, Estimators, and Progressmen's Association of Portsmouth, N. H., Naval Base are unanimous in agreement to the retirement bill, H. R. 4718. We are asking the committee to favor such a message

Hoping this bill finds favor in committee, we are

Sincerely yours,

CHAS. A. GERRY, *Secretary.*

RICHMOND 20, VA., January 23, 1946.

HOUSE COMMITTEE ON THE CIVIL SERVICE,
House Office Building, Washington, D. C.

To Whom It May Concern:

Aime J. Forand (Democrat, Rhode Island) is sponsoring bill H. R. 4718 which deals with 25-year optional retirement for civil-service employees.

The passage of this bill would be a real saving to the taxpayers, because employees who have been in the service 25 years have often reached a salary grade quite higher than the employees who enter the service, but doing the same kind of work. During the period between 25 and 30 years of service they would be getting the higher pay. Then also the employee with more than 25 years of service on account of sickness stays away from his work more than the younger employee. Some years ago the Civil Service Commission did not accept applications for positions from employees who were over 45. Looking at the problem objectively, apparently if it is not desirable to hire older employees, it would follow that there is a disadvantage to retain older employees, especially at a higher salary.

In discussing the 25-year optional retirement bill, I was told that it was objectionable because it was too expensive to the taxpayers. The 25-year bill apparently is no more expensive than the 30-year bill, because if the annuitant elected to take his annuity at age 60 he would get only five-sixths of what he would get with 30 years of service, and if he elected to take the annuity before age 60 he would get a reduced annuity proportionally less as determined by the actuaries.

As a saving to the taxpayers, as a morale-building measure, and as a humane expedient, I strongly recommend that the House Committee on the Civil Service report the bill favorably to the House for a vote.

Respectfully,

JOHN B. SCHWOYER.

RETIREMENT AFTER TWENTY-FIVE YEARS OF SERVICE

THURSDAY, JUNE 13, 1946 .

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON RETIREMENT OF THE
COMMITTEE ON THE CIVIL SERVICE,
Washington, D. C.

The Subcommittee on Retirement of the Committee on the Civil Service met in the committee room, the Capitol, at 10 a. m., Hon. George P. Miller, chairman, presiding. Other members present were: Hon. Walter B. Huber, Hon. Edward H. Rees, and Hon. Charles W. Vursell.

Hon. Aime J. Forand, author of the bill, was also present.

Mr. MILLER. The committee will come to order. We are resuming hearings on H. R. 4718, and at this point in the record I will submit two statements made by Hugh Breslin, vice president, New York Retirement Federation of Civil Service Employees, and Edward V. Dockweiler, president, Quartermen and Leadingmen Association. The statements are as follows:

To: Civil Service Committee, House of Representatives.

From: Hugh Breslin, vice president, New York Retirement Federation of Civil Service Employees Local No. 1.

Since the end of hostilities in our recent trouble in Europe and Asia many requests have appeared in various publications, and statements made by various legislators in cities, States, and our country, in which the fact was brought out that we all are in favor of doing everything humanly possible to help the discharged veteran.

If what we read is true, no doubt exists but that our representatives in the United States Congress are in accord with these various articles. A survey has shown that about 100,000 Government employee will be affected by the enactment of the Forand bill, 4718.

A recent statement made by Gen. Omar Bradley was that he has hopes of placing 4,000,000 discharged veterans in jobs within a year.

If, as stated, this bill should be acted upon favorably, it will mean approximately 100,000 veterans will be in a position to file application and probably secure these various jobs for the reason that they have veterans' preference.

We must also take into consideration the number of wounded and disabled veterans who will be able to qualify for jobs as clerks and technicians because of their training under the GI bill of rights.

I am of the opinion that if this bill is favorably reported on the floor of the House of Representatives it will pass and be very helpful to these GI's who are walking the streets today.

HUGH BRESLIN,
Vice President, Retirement Local No. 1.

GENTLEMEN: The joint committee of the Metal Trades Council, Retirement Local No. 1, and the Quartermen and Leadingmen's Association of the New York Naval Shipyard, representing thousands of people, hereby present the following views for your consideration in support of the voluntary retirement clause.

Testimony has been given at previous hearings on the Forand retirement bill, H. R. 4718, indicating that all are in favor of that part of the bill covering those who are involuntarily separated from the Government service after 25 years of service and should receive full retirement benefits.

There have been statements made to eliminate the voluntary separation for retirement after 25 years of service.

The joint committeemen individually have had actual personal contact with the men and women of the New York area which this legislation would affect and know their problems and conditions.

There are many employees with 25 to 37 years of service under 55 years of age who are still in the service, in poor physical condition due to the heavy strain of the war, who are desirous of retiring.

If the people who have testified against the voluntary section of the bill and you members of the committee could have had the personal contacts and know, as we know, you would realize the condition these people are in and would expedite the passage of H. R. 4718 as it now reads.

Should H. R. 4718 be amended and the voluntary clause removed, the time limit of August 1947, covering the involuntary separation, should be eliminated and no limit set.

The picture to see is that employees who have seriously and conscientiously borne the brunt of getting work done to win the war will in future be marked down and discharged after 1947, due to their being unable to compete with younger and stronger employees, and you can readily see that in these cases they would not be entitled to receive retirement benefits.

With the voluntary clause left in, it would be the responsibility of the persons before 1947, knowing they are physically deteriorating, to apply for retirement and obtain its benefits. They would have no one to blame but themselves after August 1947, should they not do this.

The point has been brought up that employees being laid off in the Government service would seek employment elsewhere. Definite statements have been made that a person over 40 years of age, especially those over 45, cannot obtain employment because of compensation and insurance laws which consider them a bad risk on the job, and it is a well-known fact that many employers will not hire men over 30 years of age.

A retirement law should be for years of service and age should in no way enter into it, for when it does an employee is really being punished for having entered the Government service at an early age. It is considered that a person entering civil service at 18 years of age and remaining in employment for 25 years will, in the majority of cases give 25 years of full service, in that their span of health is fairly rugged, their minds pliable. On the other hand, a person entering Government service at 32 years of age will, before many years, reach their prime physically and thereafter are likely to be subject to illnesses, which all persons as they grow older are subject to.

If a pension fund is to be of any benefit to employees a stated period of employment rather than a minimum of age should be the criterion as is the case in outside industry where pension systems are in vogue. It will also give more opportunities for moving along the line to higher positions.

The organizations we represent are very definitely in favor of the passage of the Forand retirement bill, H. R. 4718, as it now reads without any further amendments. The trend of all progressive people who have been making a study of retirement at the present time is toward the lowering of the retirement age. Even the military forces have placed early retirement after even 20 years of service as an incentive to obtain higher caliber personnel for their service. This can also be used for the civil-service employee; knowing after 25 years of service that he can retire will bring into the civil service high caliber people and it will greatly build up the morale of the people who are at present employed in the Government service and lead to a more efficient organization.

JOHN McMURRAY,

President, Metal Trades Council.

EDWARD V. DOCKWEILER,

President, Quartermen & Leadingmen Association.

HUGH BRESLIN,

Vice President, Retirement Local No. 1.

Mr. MILLER. Mr. Mitchell, will you come forward, please?

STATEMENT OF HON. HARRY B. MITCHELL, PRESIDENT, UNITED STATES CIVIL SERVICE COMMISSION; ASSISTED BY WARREN B. IRONS

Mr. MILLER. Mr. Mitchell, you made a statement 2 days ago. Do you want to amplify on that?

Mr. MITCHELL. With your permission, Mr. Chairman, I will make a new statement and go into the history of our part in this legislation.

Mr. MILLER. All right.

Mr. MITCHELL. Originally the Commission reported against this bill and the Budget Bureau agreed with that report. Later on, after further study, we submitted a counterproposition which provided for reduction of annuity of 2 percent a year so that an employee who retired after 25 years would have his annuity reduced on an average age, say an average of 20 years of service; that would give you a 20 percent reduction on the basis of 10 years' reduction. Well, the Budget Bureau has never replied to that counterproposal although it has it under consideration. It never approved it. Our various requests to get some replies from them have not been successful thus far. So this is merely a substitute proposition which has not been approved by the Budget Bureau and we are simply listing the facts as they are.

We want it understood that the Commission is not now opposed to the Forand bill, with the exception of the words "voluntary or." Our actuaries made a report on the original Forand bill and they reported that, running through the years of life expectancy, its provisions would result in a cost to the Government of \$5,800 for each person retired.

Mr. REES. I did not get that figure.

Mr. MITCHELL. The Forand bill as it stands would cost the Government \$5,800 for each individual retired under its provisions.

Mr. REES. If you leave the word "voluntary"?

Mr. MITCHELL. The word "voluntary" would not make any difference in the individual cost, but it would make a big difference in the total cost. The bill which the Commission suggested, and which provided that there be a reduction of one-sixth percent in the annuity paid for each month served, less than the present retirement ages, was also considered by our actuaries, and they decided that the cost for annuities under its provisions would be \$4,000 for each person retired.

Mr. REES. Instead of \$5,800?

Mr. MITCHELL. Yes, sir: instead of \$5,800.

Mr. MILLER. That would be based on the reduction of 2 percent a year, and that is based on the retirement age of 60 or 62.

Mr. MITCHELL. Of course, if they had been in service 30 years, they can retire at 60.

Mr. MILLER. A man who was in 30 years—or rather take the case we had the other day where a man was in here who had 29 years of service, and yet he was only 52 years old; and under your plan he would have to go to 62 and if he retired before he would have a 20-percent reduction in his retirement.

Mr. MITCHELL. That is right. I want it clearly understood we are not opposed to the principle of the Forand bill as an emergency measure. We are simply giving you figures of what it would cost under our proposal and under the Forand bill as it stands now.

Mr. MILLER. With your experience with men being separated involuntarily from the service by many of these war agencies because of the changes in techniques or new developments that no longer require their services, or by virtue of the benefits of the GI bill, do you feel there is a necessity for this type of legislation?

Mr. MITCHELL. I do feel that there is a necessity for this type of legislation as an emergency measure.

Mr. MILLER. Mr. Rees, have you any questions?

Mr. REES. Do you have figures there indicating approximately the number of employees that might come under the terms of this legislation?

Mr. MITCHELL. It is estimated 105,000 would be eligible.

Mr. REES. I think that figure was given to us before.

Mr. MITCHELL. Yes.

Mr. REES. Have you any opinion as to how many might really come under it?

Mr. MITCHELL. We estimate it at about 5 percent. Mr. Irons is more familiar with these figures than I am.

Mr. IRONS. As you gentlemen realize, this bill permits voluntary and involuntary retirements. A total of 105,000 would be eligible. It is very difficult to estimate how many might take advantage of it on an optional basis; but, based on the experience of the Commission on the present optional retirement clauses, probably not more than 25 to 30 percent will take advantage of it.

If you limited it to involuntary separation, we feel a maximum of 5,000 individuals would qualify.

Mr. REES. In other words you think that only 5,000 employees would come under the terms of this bill if we leave out the words "voluntary or"?

Mr. IRONS. Yes, sir.

Mr. REES. And 105,000, as the bill stands, would be eligible?

Mr. IRONS. Yes, sir.

Mr. REES. And you think out of the 105,000 how many might take advantage of it?

Mr. IRONS. 25 to 30 percent.

Mr. REES. Which would be about how many?

Mr. IRONS. About 30,000.

Mr. MILLER. Those people would be all fairly near the upper limit. It would be just a year or two until you would get them in most cases.

Mr. IRONS. Yes, sir; although the way we feel about it, even though it is an optional bill too many people cannot afford to take advantage of the privilege. Most eligible employees cannot afford to take a reduced income.

Mr. REES. Then if we strike out the words "voluntary or" and have approximately 5,000 who take advantage of it, the approximate cost would be what?

Mr. IRONS. Approximately \$29,000,000 all told.

Mr. REES. And your estimated 25 percent would be about 30,000; and how much would that be?

Mr. IRONS. That would run about \$150,000,000. There is very little basis for that latter estimate of 25 to 30 percent that might take advantage of it. It is not easy to determine.

Mr. REES. I understand that. I just wanted an expression of your opinion.

And the average age of those individuals would run about 55 years, perhaps?

Mr. IRONS. Perhaps; I cannot give you the exact figure but I have some figures which may give you a clearer picture. Under the age of 45 we estimate about 2,400 individuals now in the Government service with more than 25 years of service. There are 2,400 people under the age of 45 now in the service who have more than 25 years of service.

There are about 25,000 between the ages of 45 and 49; about 37,000 between the ages of 50 and 54.

Mr. HUBER. What was that last figure?

Mr. IRONS. There are about 37,000 between the ages of 50 and 54; about 40,000 between the ages of 55 and 61.

Mr. REES. Who have had 25 years of service or more?

Mr. IRONS. Yes.

Mr. REES. What would their average age be?

Mr. IRONS. They are somewhere around 53.

Mr. MILLER. But for practical purposes you could almost cut that 40,000 off. They are reaching the limit very shortly; they have all got 25 years or over. Assuming that each of them had over 25 years, sometime during the next 2 or 3 years that 40,000 substantially will reach retirement age anyway, so they are not much of a factor. Those who are between 50 and 54, they are really the greatest group in the study.

Mr. IRON. Yes, sir.

Mr. VURSELL. How many are there, then?

Mr. IRONS. 37,000.

Mr. MILLER. I suggest that you prepare a statement for the record in which you incorporate all these figures so that we can have them all in concise form in one place.

Mr. MITCHELL. We will be glad to do that.

Mr. REES. I would like to elaborate a little bit more on the 2-percent proposition. You suggested that these people be given an optional right to retire, provided they are willing to accept a lesser amount, and you figured that out.

Mr. MITCHELL. I do not think it is optional. It is all figured on involuntary retirement. You said "optional."

Mr. REES. Yes.

Mr. MITCHELL. There is no option about it. It is involuntary retirement.

Mr. MILLER. If they retire when they have been there only 20 or 15 years, even though they are retired, they can get very little.

Mr. MITCHELL. No, they must have had 25 years of service.

Mr. MILLER. It is just based on the question of their age, isn't it?

Mr. MITCHELL. Yes.

Mr. REES. That is all; it is not on how many years of service at all.

Mr. MITCHELL. Yes; anything over 25 years. Of course, if they had over 25 years, the reduction would be correspondingly smaller.

Mr. MILLER. Any of the 2,400 who have 25 years of service and are at the age of 45—in other words, men who went to work for the Government at the age of 20 and are now 45, retire at 16 percent less than the maximum retirement, because by the time they put in another 5 years, they could retire at that age.

Mr. IRONS. The proposal that the Civil Service Commission put before the Bureau of the Budget was this: That based upon years of service an individual is entitled to certain annuity rights. Let us express it as 100 percent, whether he acquired those rights with 30 years of service at the age of 60, or the age of 62 with 15 or more years of service. We said that if the individual is separated when he has 30 or more years of service and is under the age of 60, that there shall be deducted from the annuity otherwise due 2 percent for each year of age under 60. If he were 59, it would be a 98-percent annuity. If he were 55, it would be a 90-percent annuity. In other words, 5 years' difference in age would be 5 times 2, or 10 percent less. That was the principle of the reduction.

I believe, Mr. Mitchell, we are correct in saying that our purpose there in making that proposal was to reduce the over-all cost of the program.

Mr. MILLER. On the retirement?

Mr. IRONS. On the retirement.

Mr. MILLER. That would almost keep it in line with the true actuarial basis, not quite actuarially sound.

Mr. IRONS. If this is limited to involuntary separation where we estimate that the maximum number is approximately 5,000, the Commission does not feel that the cost of H. R. 4718 on a full-annuity basis as at present proposed would be excessive under the circumstances.

Mr. MITCHELL. In the last analysis, we would be in favor of the Forand bill rather than no legislation at all.

Mr. MILLER. How is that?

Mr. MITCHELL. Inasmuch as the Commission would not oppose the Forand bill as it is now written with the words "voluntary or" out, Mr. Irons' statement is substantially correct.

Mr. MILLER. Mr. Huber has to leave and I wonder if you will allow him to question you at this time.

Do you want to ask Mr. Mitchell any questions?

Mr. HUBER. I believe not at this time.

(Mr. Huber withdrew.)

Mr. MILLER. I wonder if you could give us any "quickie" figures? I realize it would be very hard to make a substantial study on the effect this would have with the words "voluntary or" out on the fund, as to how far it would throw it out of line from a true actuarial basis.

Mr. IRONS. Well, let us assume that the fund as at present constituted is an actuarially sound fund. The Government would pay on an actuarial basis, according to the figures the actuaries have given us, \$5,800 additional for each individual who takes advantage of it. So, on an actuarial basis, the individual who takes advantage of this bill is being granted by the Government a gratuity of \$5,800 because of the exigencies of this emergency situation.

Mr. MILLER. Of course, in your making this 2 percent deduction for each year you are just doing backward what we do in the military service in the other direction. We grant a man with so many years, if an officer, a right to retire, giving him 2 or 2.5 percent retirement of his salary for each year after 20 years of service. This way we are taking it off from the other end. Of course, there is no actuarial situation like this in the country, so that there is no way to discuss this on an actuarial basis using any other figures.

Mr. IRONS. No; they are not exactly comparable and the military plan of giving 2 or 2.5 percent for each year of service over a certain minimum is probably a more equitable plan than our plan.

Mr. MILLER. I wonder if we could not in some way arrive at something.

Mr. VURSELL, have you any questions?

Mr. VURSELL. I have no questions.

Mr. MILLER. Thank you, Mr. Mitchell, and we will be glad to have you file those figures.

Mr. MITCHELL. We will do so.

(The data requested are as follows:)

UNITED STATES CIVIL SERVICE COMMISSION,
Washington 25, D. C., June 14, 1946.

Hon. GEORGE P. MILLER.

*Chairman, Subcommittee on Retirement,
House of Representatives.*

DEAR MR. MILLER: In accordance with your request made in the hearing yesterday morning, the following information is submitted for inclusion in the record.

The Board of Actuaries of the Civil Service Retirement and Disability Fund has estimated that for each individual retired as a result of H. R. 4718, the Government assumes an additional liability of \$5,800. The employee, of course, makes no contributions toward the financing of the benefits that will occur through enactment of this bill. It is estimated by the Commission that there are now in the Federal service approximately 105,000 individuals who have 25 or more years of service. The approximate age distribution for this group is as follows:

Under age 45-----	2, 400
Ages 45 to 49-----	25, 000
Ages 50 to 54-----	37, 600
Ages 55 to 61-----	40, 000
Total-----	105, 000

As the bill is presently written, it is entirely optional with the employee whether he will choose to take advantage of the bill or not. It is impossible to determine precisely how many of the 105,000 individuals would elect to retire. It is the judgment of the Commission, based upon the Commission's experience with the existing optional clauses in the Retirement Act, that probably 30 percent would avail themselves of this privilege, or roughly 30,000 individuals.

As you know, the Commission strongly believes that this emergency legislation should be limited to those individuals who are in need of this relief—in other words, those individuals who may be involuntarily separated between August 14, 1945, and August 14, 1947. It has been demonstrated that, by and large, the individuals who have been or may anticipate being involuntarily separated with 25 or more years of service during this 2-year period are in the War and Navy Departments. Upon consultation with responsible persons in these departments, the Commission believes that there would be a maximum of 5,000 individuals who would be involuntarily separated.

If the committee reaches the conclusion that limitation of the bill to involuntary separations is desirable, the following amendments to the bill would accomplish this objective:

1. Change title of bill to read:

"A bill to provide retirement for certain Government officers and employees who have rendered at least 25 years of service."

2. Line 7, strike out the words "voluntarily or" and insert the words "or shall be."

3. Line 8, after the word "service" insert the words "not by removal for cause on charges of misconduct or delinquency."

4. Line 12, after the period, insert: "The term, involuntarily separated, as used in the Civil Service Retirement Act of May 29, 1930, as amended, shall be construed to include a resignation submitted by an employee after he has received formal notice of separation or demotion in a reduction in force program."

Although the Commission originally reported adversely on the bill as written because it felt the cost was excessive, it did recognize that a real emergency existed for those individuals involuntarily separated and it proceeded to study the problem toward reaching a recommendation which would meet the objectives of the bill and yet not create an excessive drain on the retirement fund. As a result of it study, the Commission on April 9, 1946, submitted a counter proposal to the Bureau of the Budget on which the Bureau has not as yet advised the Commission as to its relation to the program of the President. The following is quoted from the commission's submission to the Bureau of the Budget as in the nature of a proposed draft of letter to be sent to the President pro tempore of the Senate and to the Speaker of the House of Representatives. It is estimated that this counter proposal would cost the Government \$4,000 for each individual involuntarily separated as compared with \$5,800 for each individual under H. R. 4718.

"Several bills have been introduced in this and previous Congresses providing for retirement on full annuity at the option of the employee after completion of 25 or 30 years of service without regard to attained age. It has been argued that the adoption of such legislation would aid in reduction of force programs and would make other positions available for the relief of unemployment. Such a provision would, it is believed, be quite costly and in many instances detrimental to the Government in that well-qualified and efficient employees might exercise such option without regard to the needs of the Government, particularly in agencies where no need for reduction in force exists.

"Section 7 of the Civil Service Retirement Act provides for an annuity beginning at the age of 55 years in cases of persons involuntarily separated after at least 5 years of service. The rate of annuity, however, is quite small, and no income at all is provided for the years intervening between the date of separation and attainment of age 55. In the opinion of the Commission, the rate of annuity now available when applied to such persons with service of 25 years or more who can meet the age requirements is inadequate and a more liberal retirement should be afforded to such employees. These employees are generally career employees who have relied upon the terms of the retirement law for security upon retirement from the Government service. Any reduction in force should be effected with the least possible hardship to the employees involved.

"It would, therefore, seem appropriate that an allowance should be provided for employees involuntarily separated after 25 or more years of service equal in value to that to which they would have been entitled were they of an age making them eligible for retirement at the time they suffered the loss of their position. This is believed particularly desirable as a temporary measure in view of the existing unsettled employment situation.

"The Commission, therefore, desires to submit the following proposal which would grant to an employee involuntarily separated between July 1, 1945, and June 30, 1947, without fault on his part after 25 or more years of service an annuity having a lump-sum value somewhat comparable to that to which he would have been entitled were he of an age making him eligible for optional retirement at the date of separation. Under existing law, optional retirement is permitted, without reduction in annuity, at age 60 with 30 years of service, or age 62 with 15 years of service. Under the proposal, if an employee at the date of involuntary separation was 50 years of age, he would be entitled to an annuity equal to 80 percent of that to which he would have been entitled were he 60 years of age and had rendered 30 years of service, or 78 percent if he had rendered 25 or more but less than 30 years of service.

"The Board of Actuaries has estimated that this proposal, if adopted, will cause a total additional cost to the Government of \$4,000 for each eligible individual who is involuntarily separated. There are about 105,000 employees who have completed at least 25 years' service but who have not attained age 60 or 62 so as to make them eligible for optional retirement under the present law. It is believed that a maximum of 5 percent of this number will be involuntarily separated. On this basis, the total additional cost to the Government, if this proposal is approved, would be approximately \$20,000,000.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 (a) of the Act of May 29, 1930, is amended by adding at the end of the first proviso thereof the following:

"Provided further, That any officer or employee to whom this Act applies who shall have been or shall be involuntarily separated from the service not by removal for cause on charges of misconduct or delinquency, between July 1, 1945, and June 30, 1947, both dates inclusive, after having completed at least 25

years of service computed under the provisions of section 5 hereof, shall be paid an annuity beginning on the first day of the month following the date of separation from service computed as provided in section 4 of this Act except that such annuity shall be reduced by one-sixth of one percent for each full month of age under 62 years; but if such separated employee shall have completed 30 or more years of such service, the annuity shall be reduced by one-sixth of one percent for each full month of age under 60 years.' "

Sincerely yours,

HARRY B. MITCHELL, *President.*

Life expectancies—Civil Service mortality table for service annuitants, effective Feb. 1, 1940

Age	Male	Female	Age	Male	Female	Age	Male	Female
20.....	47.76	51.00	50.....	23.51	26.61	80.....	5.80	7.39
21.....	46.94	50.19	51.....	22.76	25.83	81.....	5.44	6.97
22.....	46.12	49.38	52.....	22.00	25.05	82.....	5.10	6.56
23.....	45.31	48.57	53.....	21.26	24.28	83.....	4.78	6.17
24.....	44.49	47.76	54.....	20.53	23.51	84.....	4.47	5.80
25.....	43.67	46.94	55.....	19.80	22.76	85.....	4.17	5.44
26.....	42.85	46.12	56.....	19.08	22.00	86.....	3.90	5.10
27.....	42.03	45.31	57.....	18.38	21.26	87.....	3.63	4.78
28.....	41.21	44.49	58.....	17.68	20.53	88.....	3.38	4.47
29.....	40.38	43.67	59.....	16.99	19.80	89.....	3.15	4.17
30.....	39.56	42.85	60.....	16.32	19.08	90.....	2.93	3.90
31.....	38.74	42.03	61.....	15.65	18.38	91.....	2.72	3.63
32.....	37.92	41.21	62.....	15.00	17.68	92.....	2.53	3.38
33.....	37.10	40.38	63.....	14.36	16.99	93.....	2.35	3.15
34.....	36.28	39.56	64.....	13.74	16.32	94.....	2.18	2.93
35.....	35.46	38.74	65.....	13.13	15.65	95.....	2.02	2.72
36.....	34.64	37.92	66.....	12.53	15.00	96.....	1.87	2.53
37.....	33.83	37.10	67.....	11.94	14.36	97.....	1.73	2.35
38.....	33.01	36.28	68.....	11.38	13.74	98.....	1.61	2.18
39.....	32.20	35.46	69.....	10.28	12.13	99.....	1.49	2.02
40.....	31.39	34.64	70.....	10.28	12.53	100.....	1.38	1.87
41.....	30.59	33.83	71.....	9.76	11.94	101.....	1.28	1.73
42.....	29.78	33.01	72.....	9.26	11.38	102.....	1.19	1.61
43.....	28.98	32.20	73.....	8.77	10.82	103.....	1.09	1.49
44.....	28.19	31.39	74.....	8.29	10.28	104.....	1.00	1.38
45.....	27.40	30.59	75.....	7.83	9.76	105.....	.93	1.28
46.....	26.61	29.78	76.....	7.39	9.26	106.....	-----	1.19
47.....	25.83	28.98	77.....	6.97	8.77	107.....	-----	1.09
48.....	25.05	28.19	78.....	6.56	8.29	108.....	-----	1.00
49.....	24.28	27.40	79.....	6.17	7.83	109.....	-----	.93

Mr. MILLER. We will now hear from Mr. Waller, Director of Civilian Personnel, War Department.

STATEMENT OF FLETCHER C. WALLER, DIRECTOR, CIVILIAN PERSONNEL, WAR DEPARTMENT

Mr. MILLER. Will you give us a statement, Mr. Waller?

Mr. WALLER. I am unable to make an official War Department statement, inasmuch as we have not been requested for a report on the bill; further, I have been advised that the bill as written is not in conformity with the President's program. Therefore, any contribution that I might make to your thinking on this thing will have to be made as an individual and not as an official representative of the War Department.

Mr. REES. We are glad to have your opinion as an individual. Just tell us plainly what you think about this legislation.

Mr. WALLER. Thank you, Mr. Rees. My reaction to the plan of making easy early retirement of people who have served 25 years in the

Federal service is positive. I think retirement should be made easier than it is at the present time, because of two basic actual situations. One is the fact that returning veterans must be given employment and that this group of long-service people are subject to the pressure of the returning veterans. Remember that considerable injustice is done in many, many cases by virtue of the fact that veterans' preference which is a superseniority under the Veterans' Preference Act allows many men and women who have made magnificent contributions to be cast out rather unceremoniously. I can give you spot cases.

For instance, there was the situation at Rock Island Arsenal where a son came back, a veteran of World War II, and "bumped" his dad who had taught him the machinist's trade and who was a veteran of World War I. Now such situations happen under the peculiarities of the existing law, and those people who are involved in such situations, I feel, should be given a good break by their Government in respect to this retirement plan.

The second basic thing which influences my own thinking is that you need in the Federal service system to stimulate the growth of new timber. I want to be careful that I am understood here. I do not assume that just because a man or woman has served 25 years or more or reached a certain chronological age that he is ready for the ash heap. I hope nobody will look down my throat on that length of time, but it is true that you need to stimulate the growth from within and the people at the top are too often "waiting" for retirement.

You are having frustration in many cases where they are sitting on top and they wait, as in some industry, for retirement. A "too good" or long pension plan is a failing of many private industries because it tends to create stagnation and build up deadwood in the organization. Therefore, you should make it as easy as possible and economically sound in your retirement program for those who are involved in these cases of management jobs to step out and let the vigorous people move up.

We made a very quick survey to determine approximately how many people were involved, and I apologize because the figures I have are very scanty.

In the Ordnance Department, which is one of the departments that was hit the hardest in the War Department, we have already reduced our forces so that as of the end of February we had reduced involuntarily 236 of these people. That is only in the major arsenals. We have had a tremendous shrinkage and a tremendous returning-veteran load.

The Quartermaster Corps presents a similar picture but I do not have the actual figures on that and I cannot present them to the committee; but at the quartermaster depots we have had these long-term career people who are now getting bumped by returning veterans of lesser service but greater preference. These people, briefly, are not under retirement and I feel that they should be. I think this bill should be limited to involuntary separation, in spite of the philosophy that I mentioned in my second basic reason for supporting the bill. I think you must consider the cost factor here and I am not certain that the bill as written is actuarially sound. As an individual I am convinced that it is unsound; but I think there are times when the Government must recognize certain basic principles of good management, good

administration, which may be on the border line of good financial judgment. Whether you can justify that position or not, you cannot prevent that question from coming up.

Mr. REES. I will not raise a question on it.

Mr. WALLER. It may appear that those two points are mutually exclusive, but what I am trying to say is that under sound, economic business principles, if any employer puts in a plan in which there is a potential error of judgment in what I call the twilight zone of judgment, as to what is best for the country, in one case he might err by clinging strictly to the economic line and in the other case err in the direction of doing the best possible job for people; and according to my thinking, if we must err let's fail in the right direction—that is in the direction of people. I think that sums up my own reaction and I would like to state again that the Department does not have an official viewpoint; it is understood that this legislation is not in conformity with the President's program as written, and what I have said is purely a personal reaction. I would be glad to answer any questions.

Mr. REES. You say it is not in conformity with the President's program. Can you tell us what the President's program is?

Mr. WALLER. I would prefer that you refer that to the experts on the President's program. We have not been formally requested to submit an opinion and so there has been no examination of that program.

Mr. REES. We appreciate your coming up here.

Mr. MILLER. You have not cleared the Budget Bureau?

Mr. WALLER. No, sir.

Mr. MILLER. While you say that you believe the bill is not economically sound, even at that you are not opposed to it?

Mr. WALLER. If you remove the voluntary feature of the bill, it becomes much closer to an economical, actuarially sound bill. Without having cost figures other than those presented this morning, I frankly do not know how sound the plan would be.

Mr. MILLER. We do have a very serious problem with respect to these people who have been in service a long period of time and who expected to continue in service for reason of their seniority and now find themselves without their seniority because Congress has enacted legislation giving servicemen the advantage and taking their job when otherwise they might have continued in service uninterruptedly.

Mr. WALLER. That is correct. However, I am not attempting to editorialize on the virtues of the Veterans' Preference Act. It is simply a statement of fact.

Mr. MILLER. Congress passed the act and we agree for the veterans that they were entitled to certain advantages with respect to Government employment. Having done that we have upset the situation with respect to a group of people employed in Government service and would otherwise have continued in service if Congress had not enacted that legislation.

Mr. WALLER. Yes, sir.

Mr. MILLER. Mr. Vursell, have you any questions?

Mr. VURSELL. No questions.

Mr. MILLER. Mr. Waller, I would like to know whether you agree with my statement: From time to time we have heard a lot about

one of the things that attracts people to Government service and one of the incentives they have in working for the Government is security of employment. This is at variance with that theory, isn't it. Here is a case where men—we had a man testify the other day that some 10 or 15 years ago he received a very substantial offer from an outside, private industry, but he preferred to stay with the Government because of the security that was given him by the Government.

Mr. WALLER. Security for the nonveteran is a figment of the imagination. My experience as a bureaucrat is very short, as you know, and I have lived in the War Department for 4 years of extreme variance, I assume, from normal Government employment. However, you could not characterize War Department employment over the past 4 years or 5 years as secure employment because of the tremendous readjustments that are necessary if you are going to get an efficient job done within the framework of the laws and regulations which affect our administration. There is no security for a nonveteran and I might go further and state that there is very little security for a World War I veteran under the existing plan. It is a serious problem; one of first magnitude.

We have today on the pay roll 168,000 World War II veterans and those men all have high preference. We have approximately 200,000 men that we haven't heard from as yet, but we expect a high percentage of those men will come home and when they come home they will get jobs. Now all those veterans getting jobs will mean that someone will have to be replaced, but with all that we are still reducing our forces.

The War Department estimates now indicate that we will have approximately 350,000 people at the end of the next fiscal year. Now it does not take a genius in mathematics to add 170,000 whom we have at present plus 90,000 World War I veterans, plus another 100,000 who will come back to us in the next year, and you find that we have more veterans than we will have jobs. Now all of the veterans, of course, cannot "bump" permanent-status employees. There are many war-service employees that have veterans' preference; however, there are a great many of them who are permanent, World War II veterans.

Mr. REES. Of course, with respect to the civilian employees in the War Department, Congress tried to take care of the problem by giving those employees to understand, those that came into the service during the war period, that they were war-service employees and employed temporarily.

Mr. WALLER. That is right.

Mr. REES. And they were on notice and most of the employees are war-service employees.

Mr. WALLER. That is correct.

Mr. MILLER. How many did you have in the War Department?

Mr. WALLER. Of course, when you are shrinking one and one-half million down to 350,000, in that shrinkage you would squeeze out most of the war-service people because you will have about 300,000 permanent employees of the War Department when it is all over.

Mr. REES. You will have about 300,000 who are permanent?

Mr. WALLER. That is correct.

Mr. REES. That is who were in the service?

Mr. WALLER. Prior to March 15, 1942.

Mr. REES. We had more than 300,000 then?

Mr. WALLER. Yes.

Mr. REES. How many do we have now?

Mr. WALLER. We are down to about 680,000 now and we are tapering off gradually.

Mr. REES. So we have 380,000 to go before we get down to 300,000?

Mr. WALLER. No, not quite that, because take an arsenal like Rock Island where it dropped from 12,000 people to 1,900. There were many excellent people at that arsenal who were let go. That is the arsenal where they designed the French 75 that was made there and they were doing continuing research work. All those specialists are being bumped because of the geographical location.

Mr. REES. Part of them, of course, were released because even though they were offered work and could go to another arsenal, the situation was the same at that other arsenal.

Mr. WALLER. Yes; all of the arsenals took a serious reduction in personnel and the men themselves were reduced in grade. There are men who were foremen who have become helpers.

Mr. REES. We have a situation where we are closing out that particular work and it would seem that those men could find similar work in some other places.

Mr. WALLER. We have nine arsenals that I investigated for this particular study. Six of them were tremendous production centers and they were turning our armaments like any plant on the outside. During peacetime they keep a small corps and keep certain research going on and they are so set up that they can expand if necessary from their 2,000 to 14,000, 15,000, or 16,000 employees in case of war.

Mr. REES. And how did that 2,000 compare with what they had prior to the war?

Mr. WALLER. Pretty close to the same number.

Mr. REES. Aren't we getting back to the same place with respect to those arsenals that we were before the war?

Mr. WALLER. Yes, sir.

Mr. MILLER. That is right, but getting back to that same place we are taking these people, say a man who had certain training that made him valuable to the Government at that arsenal in World War I, and we are dumping him and we are replacing him now with a World War II veteran, a fellow who perhaps will have to learn how to do the job.

Mr. WALLER. We had many World War II veterans who came between 1941 and 1942 with the invasion of Poland and the fall of France. Most of those men came in just prior to March 15 and they are all permanent men by virtue of the regulation set-up. If they were hired on March 14 and drafted on March 17, they are a World War II veteran and they can and do "bump" 25- and 35-year servicemen.

Mr. REES. It just happened those men got in the civil service on those particular jobs at that time.

Mr. WALLER. That is right.

Mr. REES. And then went in the armed forces. Now they are entitled to come back and take those positions, even though similar positions are held by men who have been there for many years?

Mr. WALLER. That is right.

Mr. MILLER. And men who held those positions, I daresay, were what we would call career men in the service.

Mr. WALLER. Yes, a lot of them were in the last war, World War I. This case of a veteran father I told you of, where the son "bumped" the father, the father was a commander of the local American Legion post. The father was one of the old-time all-around machinists and when the war came on he was made an instructor and he had a group of lathe operators that he trained. Unfortunately they called them machinists. As an instructor he trained this group and his son was one of the boys in the period of early 1941-42. In about February or March of 1942 his son got drafted and went to war, and he came back as a machinist. In the meantime his dad had been demoted in the shrinking arsenal and was operating lathe number so-and-so, and so when the son came back, he was aimed right at that position and he took the lathe away from his dad. He said he would just as soon have the job in the family anyway if someone was going to "bump" him.

Mr. MILLER. Thank you very much.

We will now hear from Mr. Piozet, Director, Civilian Personnel, Navy Department.

Mr. PIOZET. Mr. Chairman, Rear Adm. Frederick G. Crisp, Director of Industrial Relations, is present and will speak.

Mr. MILLER. We are glad to hear you, Admiral.

STATEMENT OF REAR ADM. FREDERICK G. CRISP, OFFICE OF INDUSTRIAL RELATIONS, NAVY DEPARTMENT

Admiral CRISP. Mr. Chairman, the Navy Department has no official statement. The Department has been advised that the bill as now written is contrary to the President's program. Any statement I could give, sir—and I have nothing formulated—would only be giving an expression of my own personal opinion.

Mr. MILLER. We would like to have your personal opinion and we recognize the fact that this perhaps hasn't cleared the Budget Bureau and thus you have no right as a representative of the Navy Department to come here. Nevertheless we invited you here on account of your long experience and personalized knowledge and we would like to have the benefit of that in this case.

Admiral CRISP. Thank you very much.

I am expressing my personal opinion. I think perhaps the Navy Department realizes the implications due to the fact that some of our stations have been faced with serious reductions of career personnel and there has been a replacement of that force by veterans that has reached very serious proportions. These conditions were serious as early as the time of VJ-day.

Like the War Department we have many career employees, many employees of considerable service. It is perfectly true that a man of 50 years or more who has devoted his entire life to one job or one station, having no unemployment compensation, no social security, is in a bad way; particularly if he is reduced involuntarily.

Most of these men have become settled and have raised their families and expected to stay on for the rest of their lives or until they retired. It is almost impossible for a man like that to get employment similar to that which he had. He has no chance to get a job because

of his age and there is little chance in some communities because there are no industries to which he can go. Obviously, he cannot transfer.

I, therefore, feel that the Forand bill, insofar as the involuntary features are concerned, is a just bill and only gives that man what he has a right to expect from his long years of certainly satisfactory service, and service that he has been led to believe would result in retirement in accord with the law after he had sufficient service.

I think that perhaps our employment problem is going to parallel or perhaps even exceed that of the War Department in regard to veterans. We have today in our employ 40 percent war veterans. They are veterans both of World War II and of World War I and the rate is increasing two ways; one, because of veterans returning who, of course, are getting their positions; and, two, because we are reducing the force and reducing the force usually takes out the non-veterans although a veteran with war-service status does not have seniority of retention over the career employee. However, we certainly believe that within a very short time the great majority of our employees in the Navy Department will be veterans, which means not only those who have already suffered this reduction in force, but that the process will continue until the Navy reaches a postwar status.

I have no data as to the number of the people of the Navy who will be affected. I think perhaps in the aggregate that the number of people who will have 25 or more years of service will approach about 2,000 in the Navy Department alone. You have received testimony in regard to the Newport station but the same conditions affect every naval station that we have.

Mr. REES. Do I understand you to say there are about 2,000 employees who will be involuntarily discharged having 25 or more years of service?

Admiral CRISP. Yes, sir; and that is a very, very reasonable estimate. I have not attempted to check it in detail.

Mr. REES. Who have had 25 or more years of service?

Admiral CRISP. Yes, sir.

Mr. REES. Do you have a figure as to the number of civilian employees in the Navy prior to their employment in war service?

Admiral CRISP. I can give you a very close figure. On December 31, 1941, our employment was 304,000; on June 30, 1942, or 3 months after the war-service appointments came into effect, we had 437,000. I think it would be fair to take a middle point between those two as representing the number of permanent employees the Navy had, which would be about 360,000.

Mr. REES. And what is the approximate number now?

Admiral CRISP. 543,000 as of the 1st day of May; or you might say it is something like 500,000 today.

Mr. REES. You still have a reduction to make of about 200,000?

Admiral CRISP. Just about that.

Mr. REES. They will be war-service employees?

Admiral CRISP. That is correct. We have 60,000 career employees who are veterans of World War I or other wars or other combinations who have veteran status. We have about 60,000 who will have the same retention rights, of course, as the career employees or World War II veterans.

Mr. REES. But even at that you do have approximately 200,000 employees who are really war-service persons.

Admiral CRISP. That is correct; as near as we can tell it at the present time.

Mr. REES. Who have no claims on their jobs.

Admiral CRISP. Not over veterans and they do not have retention rights over career employees who are veterans or career nonveteran employees who are in the A categories.

Mr. MILLER. They are in a separate category; they have a preference within their own category.

Admiral CRISP. We had a case of a supervisor, a quartermaster in World War I, as long ago as 1918. He was one of our top supervisors. That man is a laborer today. That is about the most extreme case I know of and we are going also through this procedure, and in some instances some of our best foremen today are actually being discharged. Once they start down they keep going because as they get in a different category they lose all rights to veterans' preference.

Mr. REES. But the persons who are going to be displaced are in this first 360,000 group?

Admiral CRISP. That is right, sir.

Mr. REES. And wherever you put the veteran in the 360,000 group there is a possibility of displacing someone with 25 years of service.

Admiral CRISP. That is correct.

Mr. REES. Now do you have before you any figures to indicate approximately how many of those people have their 25 years of service?

Admiral CRISP. No; I have not at the present time.

Mr. PLOZET. (Charles, special assistant to the Under Secretary of the Navy). You want the number of those having 25 or more years of service?

Mr. REES. Yes; I raised the question because in some departments there are more career people than in others. There are more people with 25 or 30 years of service in one department than in another.

Admiral CRISP. I should think we have a higher percentage than any of the other departments because we are going back to our navy yards and our large industrial stations where we find a high percentage of long-service people. We have—I figured up the other day—some 300 employees who will have completed 40 years of service during this year.

Mr. REES. Which rather leads me to believe that the problem is more acute in the War and Navy Departments than in any of the other departments of the Government.

Admiral CRISP. I think that is true.

Mr. MILLER. Wouldn't that be particularly true in the Navy Department? From my own superficial knowledge it seems to me that you have many veterans of World War I who went to work for the Navy and stuck to their jobs. It seems you have more in the Navy than in any other department. Isn't that true?

Admiral CRISP. Yes; in regard to veterans of World War I and other campaigns.

Mr. MILLER. Who would be included in this 360,000?

Admiral CRISP. That is right.

Mr. MILLER. And they would not be subject to this involuntary separation?

Admiral CRISP. They have the same retention rights as World War II veterans.

Mr. MILLER. That relieves the pressure on you.

Admiral CRISP. Yes, sir.

Mr. REES. But they are in there.

Mr. MILLER. They will not be laid off?

Admiral CRISP. No; they will not be laid off.

Mr. REES. Which leaves about 300,000 employees.

Admiral CRISP. Well, postwar employment, there will be 60,000; then the 360,000 and we will only have 300,000, and that 360,000 will have to be taken into consideration.

Mr. MILLER. But that relieves the pressure.

Admiral CRISP. That does.

Mr. REES. You are supporting the proposal on your own initiative, on the involuntary retirement, with the words "voluntary or" stricken out?

Admiral CRISP. Yes, sir; that is my personal opinion.

Mr. MILLER. Mr. Vursell, have you any questions?

Mr. VURSELL. No questions.

Mr. MILLER. Thank you, Admiral.

We will now hear from Mr. Frank H. Weitzel, assistant to the Comptroller General, General Accounting Office.

STATEMENT OF FRANK H. WEITZEL, ASSISTANT TO THE COMPTROLLER GENERAL, AND ALBERT A. PETER, ESQ., ASSISTANT GENERAL COUNSEL, GENERAL ACCOUNTING OFFICE

Mr. MILLER. Mr. Weitzel, you are familiar with this bill and we invited you to be present today. Did you come officially?

Mr. WEITZEL. I did, Mr. Chairman and members of the committee. I am representing the Comptroller General of the United States, Lindsay Warren, and I have with me Mr. Albert A. Peter, Assistant General Counsel of the General Accounting Office. I have no prepared statement, Mr. Chairman, but I would like to make a few observations on the bill on behalf of Mr. Warren.

Of course, the General Accounting Office does not administer the retirement system. That is the job of the Civil Service Commission. President Mitchell and the other gentlemen that were here this morning have that job, but Mr. Warren is vitally interested, of course, in the soundness of the system and also in the cost to the Government of running the system—two very important aspects.

The retirement system was built on actuarial principles. One way to destroy it, or to modify substantially its character, is to liberalize the benefits under the system unduly. This would result in—

First, increased cost to the employees under the system; second, increased cost to the Government; or third, an unsound condition of the system.

I believe, having the latest annual report of the condition of the retirement system, that there was a statement in that report to the effect that the Government had not made its full contribution to the system for some time; and, of course, anything which was done to further unbalance the system from an actuarial standpoint would increase that deficiency unless Congress made appropriations to make it up.

We have no independent estimate of the cost, but judging from the figures that the Civil Service Commission gave here this morning, the cost of the Forand bill in its present form would be rather large and the effects of it would be bad from an actuarial standpoint.

The Comptroller General recognizes the problem that has come about with the necessary reductions of force, with returning veterans coming in, and with activities of the Government being curtailed, and rightly curtailed, after the hostilities are over; but he does feel that we should not lose sight of the basic principles on which the retirement system was built, and that whatever is done in an effort to take care of those employees of long and faithful service who have necessarily been separated and will be separated, we should have regard to the cost and know what we do actuarially.

Now, going on that basis, of course, the Comptroller General would be opposed right now in connection with this emergency legislation to the provision for voluntary retirement. He is not only concerned about the cost and the soundness there, but he is concerned about losing some of his own good employees who might retire after 25 years of service and go out and use their annuity as a stake in practicing their profession or to supplement employment in private industry. We have a good many employees who have stated that if there was even a 30 year retirement plan, they would take advantage of it the day it was enacted. So today the Comptroller General would be opposed to the voluntary basis for retirement after 25 years; and as to the involuntary basis, he feels that perhaps that is a little broad. Of course, the present retirement system recognizes the right to an annuity; and there is a deferred annuity provision for an employee who has been separated, provided he has had more than 5 years of service, but if he is going to get an immediate annuity when separated at age 55, for example, it is provided as an additional condition that his separation must have been without any misconduct on his part.

So I think, without hurting unduly the beneficiaries you are intending to help by this bill, if the committee desires to report the bill something should be put in to the effect that the separation was without any misconduct on the part of the person retired. The precedent for that is in section 8 of the act of June 16, 1933, which gave \$100 a month to certain employees who were separated at that time, and also in section 7 of the Retirement Act, providing for an immediate annuity at age 55 for employees involuntarily separated.

Then as a further conservative step the Comptroller General wishes to suggest for your consideration whether you would want to raise the service requirement to 30 years. I recognize that might eliminate some of the people who may be deserving of consideration, but that is one thing that could be done to bring the bill more into conformity with actuarial principles. I also understand the Civil Service Commission recommended a proportionate appropriate reduction to take care of separations from the service at ages less than the present retirement ages of 60 and 62, and in that case I think that the Comptroller General would like to see the reduction as consistent as possible with actuarial principles.

I might sum up by saying that the Comptroller General would be definitely opposed to H. R. 4718 in its present form.

Mr. REES. We appreciate your coming, sir. We invited you here and are glad to have your opinion.

Mr. WEITZEL. Thank you.

Mr. REES. According to the annual report the Government has not made its contribution to the fund. I really asked the Chairman of the Civil Service Commission to remain because I wanted to ask him and also Mr. Irons just how far short we are in that respect. I think the general public does not realize that we have not made appropriations to keep up with the requirements. It is a thing which Congress probably hesitated to do because if we did it, it would be a surprise how much of a contribution the appropriation would amount to, if we would really appropriate the amount of money we are expected to in compliance with this act. I think it is unfortunate we have not done that as we have gone along and the employees of the Government have a right to know how much the Government is contributing and the public has a right to know how much the Government is contributing toward the fund, and before we get through I would like to have Mr. Mitchell tell us how much money it would take to bring us up to date even to present conditions. Do you know the figure offhand?

Mr. MITCHELL. I do not know the figure offhand. I do not know whether Mr. Irons knows it.

Mr. REES. Then we also appreciate your views with respect to the question of the basic principles of the retirement system, with all due respect to this legislation and all that. I think you are sounding a warning for the good of the employees who remain in the service, but we will have to give pretty careful consideration to see to it that these principles are maintained. I am thinking in terms of the views of some of the Members of Congress and those outside Congress that the whole question of retirement or whatever you want to call it might be thrown in one great heap and include social security and civil-service retirement in one big kettle. I do not want that to happen, but if we break down too much on our retirement, the basic principles of the retirement system, we might get in that sort of a thing which I do not want to occur. They are in a separate group and rights thereunder should be protected.

I am also interested in the proposal with respect to the things mentioned a moment ago by the chairman of the committee, that consideration might be given to a slight reduction in the amount returned to the retired employee because he goes out of the service before he has reached the required age. Generally speaking, I find Mr. Warren's views pretty sound. They might be pretty conservative in some respects, but generally speaking, I think his views are sound on fiscal matters. I do not always agree with him but he is sincere and he knows what he is talking about.

We appreciate your coming here.

Mr. MILLER. Mr. Vursell, have you any questions?

Mr. VURSELL. No questions.

Mr. MILLER. Mr. Weitzel, what is your offhand thought on the total cost of operating the Veterans' Administration at this time?

Mr. WEITZEL. I would hesitate to even make a guess on that, Mr. Chairman. I can provide the figures but I would not even want to make a guess. It is very large.

Mr. MILLER. Have you made some studies of what the cost of this will be?

Mr. WEITZEL. We have no studies. I am relying on the figures of the Civil Service Commission that were presented here.

Mr. MILLER. I do not mean the administration of the veterans' benefits, but I mean the amount of money that we spend through the Veterans' Administration giving benefits, giving pensions, and the cost of the war as far as the salvaging of the human element is concerned, as far as we can do so out of the war. What is it costing? Can you give me a rough figure on that?

Mr. WEITZEL. It is safe to say that it is in the billions of dollars.

Mr. MILLER. Billions of dollars a year? And what is it going to cost eventually to take of these people involuntarily retired?

Mr. WEITZEL. It all depends on the form.

Mr. MILLER. I believe that \$25,000,000 was mentioned.

Mr. WEITZEL. I believe the Civil Service mentioned \$29,000,000.

Mr. MILLER. Which would be at the peak now and decline.

Mr. WEITZEL. That is true, but if that is the cost based on a very small number of people, and if this bill will not help over 5,000, there will be many thousands of others who will be separated from the service but will not receive any help from the bill.

Mr. MILLER. That is true; those are intangibles. The thought I had in mind is this, that after all, this is part of that human salvage that comes as a result of war.

Mr. WEITZEL. Yes.

Mr. MILLER. Many of these people are finding themselves incapacitated and they cannot go out into other employment by virtue of the fact that particularly those engaged in manual work, no matter how they are, they are brittle at the age of 55 and they will have a hard time to find employment. As a matter of fact, under the rules of the Veterans' Administration they would be declared to have service-connected handicaps that were industrial hazards and therefore they would be entitled to some type of rehabilitation. That is why you said what you did about liberalizing this unduly? You were trying to measure it in over-all costs?

Mr. WEITZEL. Yes, I was speaking to the provisions of the bill at that time. The Comptroller General would not be so much opposed as he is to this bill, if it were modified along the lines I have suggested.

Mr. MILLER. I think, too, that those who were separated without prejudice, you would be willing to accept that. To my mind that always, was, and I expect will be, considered a part of the war effort, and I suggest that you get together with Mr. Parkman and others and try to prepare a clarifying amendment.

Mr. WEITZEL. Yes, sir.

Mr. MILLER. And strike out the words "voluntary or." Of course, I know those of you in the General Accounting Office, being good people, you can find work on the outside, but the opposite is true of many people who are let go with 25 years of service. They cannot find employment, particularly those engaged in manual trades or highly specialized trades. Of course, your young accountants can come out of the Accounting Office and they can get plenty of jobs today, but the fellow who learns to make explosives or build torpedoes at the Newport Torpedo Station, he would not have a very easy time getting a job, would he?

Mr. WEITZEL. No, Mr. Chairman.

Mr. MILLER. The Comptroller General certainly would not prejudice the future of these people solely because a few people in his office might leave. If we take the word "voluntary" out it might meet the objections of the Comptroller General.

Mr. FORAND. Insofar as "voluntary" is concerned, I explained in my opening statement on the bill the reason why it was put in the bill. It could be taken out without serious objection from me, provided we would define the words "involuntarily discharged" or "separated" to include those men who were separated from skilled jobs and had to take a minor position and that they should be considered as involuntarily separated, because such a man has been involuntarily separated from his job.

Mr. MILLER. That can be worked out. We are not going to take a man who is a skilled machinist who has had 25 years of service and reduce him to a laborer, and if he does not take that say that he is separated without prejudice.

Thank you, Mr. Weitzel.

The next witness will be Mr. Winslow, of the Bureau of the Budget.

STATEMENT OF J. E. WINSLOW, BUREAU OF THE BUDGET

Mr. WINSLOW. Mr. Chairman and gentlemen of the committee; I am Joseph E. Winslow of the Bureau of the Budget.

Mr. MILLER. We are very glad to see you. Do you come before us officially?

Mr. WINSLOW. Yes, sir; I am.

Mr. MILLER. Have you a statement you care to make in regard to this bill?

Mr. WINSLOW. Mr. Chairman and members of the subcommittee: I have a short statement prepared on the cost of the bill, as proposed, and will be glad to indicate the attitude of the Bureau of the Budget regarding the cost implications of the provisions of H. R. 4718.

Mr. MILLER. I think it would be better if you read your statement; then we will know what it is.

Mr. WINSLOW. The figures which I am about to present represent the maximum potential cost to the Government on the basis of employees now on the rolls and do not take into consideration the retirement of the additional numbers of employees who will accumulate 25 years of service.

The Civil Service Commission has advised us that there are now approximately 105,000 employees on the rolls who have completed 25 years of service.

The Civil Service Board of Actuaries estimates that the additional cost to the Government over the normal retirement cost for each eligible person under H. R. 4718 will be \$5,800. Applying the actuaries' estimates of cost—\$5,800 per person—to the total number of employees estimated by the Civil Service Commission to be potentially eligible—105,000—you arrive at an estimated potential cost of H. R. 4718 of \$609,000,000.

Now with regard to the Civil Service Commission's proposal for a modification of the benefits which would reduce the annuity by 2 percent for each year an eligible with 25 years but less than 30 years of service is under age 62 and for each eligible with 30 years of service

is under age 60. On the basis of this modification, the increased cost per eligible to the Government over the normal retirement cost is estimated by the Civil Service Commission to be \$4,000 which, when applied to the total number of potential eligibles—105,000—would amount to an estimated potential cost to the Government of \$402,000,000.

With respect to the provisions of the bill from the standpoint of the program of the President, the following features would be objectionable:

First, it establishes a preferred group.

It is felt this would be an injustice to persons retiring or separating after the final effective date of the bill.

Second, the voluntary retirement provision without any age limitation creates a heavy potential cost to the Government.

Third, the fact that a minimum age is not specified would allow the retirement on substantial annuities of many employees at ages considerably below 55. For example, a person entering the service at 20 would be eligible for retirement at age 45 under the provisions of H. R. 4718. At the present time 55 is the lowest age at which a person can retire from the service after 30 years of service and receive at that time a reduced annuity; and also the reduced annuities available to persons retiring at age 55 with 30 years of service under the present laws, and under laws which will be in effect subsequent to the final effective date of this bill, are computed on a much less favorable basis than those under the proposed bill.

Fourth, it is believed that the proposed bill would destroy the soundness of the Civil Service retirement fund.

Fifth, many of the problems that are sought to be solved by H. R. 4718, which will be created by cut-backs and reconversion could be better handled by unemployment compensation.

Sixth, it is believed that whatever changes are made under emergency conditions in the method of computing annuities under the civil service retirement fund should be based upon full consideration of the advice and recommendations of the Civil Service Board of Actuaries.

Seventh, that the involuntary separations under the bill should be for reasons other than misconduct.

I think, Mr. Chairman, that concludes my statement.

Mr. MILLER. Of course, in arriving at these figures you have taken the optimum as set forth by the Civil Service Commission?

Mr. WINSLOW. Yes, sir; we did.

Mr. MILLER. You have not given any consideration to the breakdown they gave us this morning? For instance, that 40,000 of these people are between the ages of 55 and 61. and what proportion of them are eligible now or will be eligible in the next year or two?

Mr. WINSLOW. That is correct.

Mr. MILLER. You have not considered what will be the total cost over the life of the bill?

Mr. WINSLOW. No, sir; the estimates presented would be the potential immediate cost of the bill if the 105,000 were to take advantage of the voluntary provisions in addition to those being separated. We recognize that is a maximum estimate. We recognize, too, there would be many less who would leave. On the other hand we do not have any firm figures with respect to the number who would be sepa-

rated as a result of reductions in force nor of those persons who would take advantage of the voluntary provisions of the bill.

Mr. MILLER. As far as the figures you got are concerned, or even those of the Civil Service Commission, we have never had experience in this sort of thing to go on and most all of the figures are estimates of the roughest type.

Mr. WINSLOW. Yes, sir; that is true; we have not had experience comparable to the one we are going through under the Veterans' Preference Act and the cut-backs that will be necessary during re-conversion.

Mr. MILLER. Mr. Rees, have you any questions?

Mr. REES. Of course if we strike out the words "voluntary or" and include an amendment to separate from the "involuntary" those who were charged with misconduct, delinquency, and then the language you suggested would cover a comparatively small group of employees.

Mr. WINSLOW. That will cut the number back materially; yes, sir.

Mr. REES. According to the Civil Service Commission figures it would only cover a very few thousand?

Mr. WINSLOW. Congressman, I am afraid we are not satisfied that those figures would be firm. It is a tremendously difficult problem to estimate the extent of cutbacks which would result in involuntary separations and the number of persons who would voluntarily retire under H. R. 4718. I think the Civil Service Commission had to make an estimate of some kind and it is the best estimate they could give you. If it were 10,000 instead of 5,000 it would still be a very small group of employees, under an involuntary separation provision.

Mr. REES. In other words they could be in error around 100 per cent and it should still be a very small number?

Mr. WINSLOW. Yes, sir.

Mr. REES. Do you feel that that estimate is some place near correct, and are you willing to accept it as the best estimate available under the conditions?

Mr. WINSLOW. I know it is the best estimate available; yes, sir.

Mr. REES. I think your statement is correct about it being a preferred group, and that is why this is emergency legislation. If at the end of a year we find need to extend it we can do so?

Mr. WINSLOW. Congressman Rees, of course insofar as the involuntary separation of any person with 25 years' service and under age 55 is concerned, it is an emergency as far as that person is concerned.

Mr. REES. Yes; that is true.

Mr. WINSLOW. There is not a question in my mind that cutbacks of this sort create emergencies for the persons involuntarily separated but there are involuntary separations in normal times because of the reduction in force, because of the cutbacks in programs, which do require the separation of persons of 25 or more years' service, but less than the 30 years' service required to retire at age 55. Granted there are comparatively few such separations in normal times, but the situation for that individual is just as difficult.

Mr. MILLER. But in normal times and under normal conditions those conditions do not occur very frequently and there are always preferences which can be given them.

You do not separate outright many people in the Government with 25 years or more of service who have any type of efficiency rating?

Mr. WINSLOW. If you can possibly help it, you do not do it; that is correct.

Mr. MILLER. Under those conditions you are confronted with a condition whereby by using a law you give preference to veterans; and this is an entirely different situation?

Mr. WINSLOW. Yes, sir.

Mr. MILLER. And in respect to the few people with 25 years of service who may take advantage of this thing, personally they would not be the gainer, for the fellow who wants to get out that bad is generally a type of fellow you would like out anyway? You need not answer the question if you do not wish to.

Mr. WINSLOW. I think that is true.

Mr. MILLER. The Government would be the gainer to pay him a pension and have him out if he wants to get out?

Mr. WINSLOW. I believe that is correct.

Mr. MILLER. I have seen it in State service where men have reached a place where they are no longer efficient and it would have been much cheaper to pension them and to get them out, rather than to have to carry them along 3 or 4 years just waiting for retirement.

Mr. WINSLOW. That happens right here, Mr. Chairman, and I think possibly some consideration should be given to it.

Mr. MILLER. That is on the other side of the ledger on the over-all cost?

Mr. WINSLOW. In the liberalization of the retirement system, just how far you can go is up to the actuaries.

Mr. MILLER. That is something we can put on the credit side of the ledger?

Mr. WINSLOW. That is right.

Mr. REES. I was going to ask you in regard to this proposed legislation if the Bureau of the Budget has really given consideration and study to a proposed law along the lines suggested a while ago to permit a person to be released from the service before he reaches the exact age or 30 years of service, or whatever will be a satisfactory smaller retirement pay. What consideration have you given to that?

Mr. WINSLOW. Congressman Rees, we have not made any such study. The Civil Service Commission has the responsibility for the administration of the retirement system and we would be glad to cooperate with them in any study of that sort but we would not undertake such a study of our own.

Mr. REES. One of the objections to the proposed legislation is that a man might retire when he reaches the age of 45 with a pretty fair annuity and carry on some other business, and this would be a little backlog on which to rely.

Mr. WINSLOW. I think the objection is based on some of the experiences back in 1932 or 1933 under the Economy Act when the 30-year mandatory retirement was put in, releasing a chap with 30 years' service. I believe some of your cohorts in Congress received letters from constituents that people drawing retirement pay from the Federal Government were engaging in business in various towns and small communities, competing for jobs with the people in those communities

when they were already drawing retirement pay from the Government that was equal to the income of some of the pretty substantial people in the community.

Mr. REES. That is right; a good many men who had been in the service did retire at an early age and then carried on a small business, and thereby competing with other citizens. With their retirement money as a backlog they could carry on to the distinct disadvantage of other citizens.

There is a question about taking care of these groups by unemployment compensation. Would you care to express yourself on that?

Mr. WINSLOW. Of course, Congressman, the President in his message on unemployment compensation did recommend that the Congress cover Federal employees under the unemployment compensation provisions of the law.

The statement which I made was based on this fact that there are undoubtedly many of these separated employees who are still, and will be, employable, who have had 25 years of service. The unemployment compensation provisions in the law should cover those Federal employees who have been separated by reductions in force. The recommendation of the President was for \$25 a week for 26 weeks, which would allow them a readjustment period to find other employment.

Mr. REES. I do not want to pin you down too closely but since the President's views are not in accord with this legislation, and if Congress should happen to see fit to pass it, in view of your statement he might see fit to veto the legislation. He has vetoed some legislation the Congress has passed?

Mr. WINSLOW. That is correct.

Mr. REES. Since you on behalf of the Bureau of the Budget have expressed opposition to this legislation, we appreciate your statement; do not misunderstand it. We are glad to have your views and find out what the Bureau of the Budget thinks about this legislation because the Bureau of the Budget is the right hand of the President with respect to these things. Now you agree that we have a problem with respect to this group of people, especially those who are discharged or have been dismissed involuntarily.

Do I understand that you, as representing the Bureau of the Budget would suggest to this committee that legislation be submitted providing for unemployment compensation for this group and groups similar?

Mr. WINSLOW. The recommendation for legislation has gone forward from the President to do just that.

In considering the provisions of this specific bill the position of the Bureau of the Budget is that it is not in conformity with the program of the President as it is written.

Mr. REES. What is the alternative, if we should have one? After all this committee is confronted with a problem.

Mr. WINSLOW. Yes.

Mr. REES. Just what should we do? Would you suggest that Congress pass legislation providing for unemployment compensation for Government employees at the rate of \$25 a week for 26 weeks, or whatever it is?

Mr. WINSLOW. That has already been recommended.

Mr. REES. That is over a period of how long?

Mr. WINSLOW. 26 weeks.

Mr. MILLER. It was recommended but some how or other it was put up on the shelf. Some of us would like to see it pulled off the shelf and fixed up; and I would go for it.

I still think you would need this type of legislation to cover this specific group irrespective of that.

Mr. WINSLOW. Congressman Rees, if your point was directed to that comment just made by Mr. Miller—namely, don't you feel that unemployment compensation would be sufficient in this case—I think the answer of the Budget Bureau would be "No."

Mr. REES. What is the answer?

Mr. WINSLOW. I do not think we are in a position to recommend to you what you should do. We have stated what we have seen in the bill as it is now written which is objectionable, some of the provisions are less objectionable than others.

Mr. MILLER. And like every expenditure there would always be objections and it is necessary for us to consider all the elements involved without regard to the objections. Take the one and one-half billion dollars for the relief of the veterans who were wounded, diseased, and disabled, no one would think of stopping those necessary appropriations for their relief. Rather than reduce it I would rather it were increased materially. On the other hand there is the cost on one hand to make this possible, which is chargeable to exactly the same thing, that is the war. These are the people who manufactured the munitions of war and placed them in the hands of our fighting forces, so that they are included in the over-all picture.

Mr. REES. Here we are with legislation submitted by the gentleman from Rhode Island, and supported by the witnesses who have testified, and most of them, of course, represent groups that are vitally affected. Then we have the Civil Service Commission that testifies, as I understand it, that they have no objection to the passage of this legislation provided the words "voluntary or" are stricken from the bill.

Mr. MILLER. And other little minor things—separation without prejudice—

Mr. REES. That is right; then we have the Navy Department who have not cleared with the Bureau of the Budget express their views on behalf of their own group. The War Department testified on its own behalf and the Navy Department, not having cleared the Budget Bureau feels this problem is not only a serious one, but as I understand it they are supporting the legislation before us, striking out the words "voluntary or" and taking care of the individual being dismissed because of misconduct, and so forth.

Mr. WINSLOW. Congressman Rees, Admiral Crisp stated that the Navy Department had been advised that H. R. 4718 is not in accord with the program of the President.

Then we have the office of the Comptroller General, which calls attention to the additional cost here and says that it has a tendency to unbalance the budget. It is pretty well unbalanced, of course, and we know it. They indicate it will be unbalanced a little further and they caution against the liberalizing of the legislation rather than strictly limiting it to a particular group.

Now then we have the Bureau of the Budget who after all is the adviser of the President, who has the final say with respect to this legis-

lation and I will not misquote you at all. You said that the Budget Bureau is opposed to this legislation in its present form and would be opposed to it if we omitted the words "voluntary or" in accordance with the suggestion of the Civil Service Commission, and even though we included the further amendment taking care of the question of those who separated because of misconduct—of course, that is a comparatively small item.

Now if we are going to start with at least 2 strikes against us on this legislation we ought to find it out now and that is the reason I am asking you again whether or not you have any further proposals to submit whereby we can take care of this group other than giving them \$25 a week for 26 weeks. That really does not solve the problem that is involved here as I see it.

Mr. WINSLOW. That is right. Well, Congressman Rees, the statement that we are opposed to all legislation which would be intended to correct this situation—I do not think it is quite correct.

Mr. REES. You did not indicate that. I understand you are opposed to this particular bill even if we strike out "voluntary or"?

Mr. WINSLOW. That is right; and I pointed out objectionable features as far as we are concerned. Our major one is the voluntary retirement feature. We feel that in addition to the study that has been given this bill, that the Board of Actuaries of the Civil Service Commission should make their specific recommendations for any modifications of the Retirement Act, with respect to its effect on the retirement fund generally; and we feel also consideration should be given to the possibility of an age limitation, say 55 for the people who are separated, to receive an annuity computed on a full annuity basis, or on a reduced annuity basis suggested by the Civil Service Commission and minor qualifications on the type of involuntary separation—it should be without misconduct.

Mr. REES. And you are thinking in terms of permanent legislation in regard to that.

Mr. WINSLOW. We are thinking in terms of the effect of this sort of thing on permanent legislation and the possibility that there may be necessity for extension of that sort of thing over the 2-year limitation as almost 1 year has elapsed of the effective time of this bill, there would be some question in our minds as to whether all of the cut-backs that are necessary in the Federal establishment will be made by August 14, 1947.

Mr. MILLER. Of course in regard to that if we find in a year from now, or 6 months from now that it will be necessary to extend the time, we can extend that date for a year, based on the knowledge that you then have, that you have not got now, and that would be preferable than putting an additional year on now, which might not be necessary. This is in the trial and error stage and we do not want to probe too deeply until we know where we are going.

Mr. WINSLOW. That is right.

Mr. REES. With respect to paying lesser amounts to those retired, I have been very much interested in that proposal if a man wants to retire after 25 years of service and is less than the age of 55, whatever his age may be, that he is given an option to retire for a lesser amount. I think that ought to be worked out. It is separate and apart from the thing that is before us now.

Mr. WINSLOW. That is correct, but the implications of this I do not think you can discount in terms of that sort of legislation in the future.

Mr. REES. Yes.

Mr. MILLER. Thank you very much.

The next witness will be Mr. S. B. Herrell, Assistant Personnel Director, Department of Agriculture.

**STATEMENT OF S. B. HERRELL, ASSISTANT PERSONNEL DIRECTOR,
DEPARTMENT OF AGRICULTURE**

Mr. HERRELL. Mr. Chairman and gentlemen of the committee, I am S. B. Herrell, Assistant Personnel Director of the Department of Agriculture, appearing here at your request.

Mr. MILLER. Have you given some thought and study to this bill, Mr. Herrell?

Mr. HERRELL. Mr. Chairman, whatever I may say must necessarily be general rather than specific, much as I would like to be specific. Whatever I say must necessarily not be considered as representing the official attitude of the Department for the reason that the Department has not been asked to report on this bill officially, and furthermore for the reason it is not in line with the program of the President. By and large in the Department of Agriculture the administrators favor early retirement of employees. We feel that the early retirement of employees should be encouraged. There are things which are advantageous to the employees and things that are to the advantage of the Government. By advantageous to the employees, we feel that employees who have given the best days of their life to the Government should be permitted to retire in time to enjoy some of the privileges of retirement before they die. We feel that the retirement of the employees is to the advantage of the Government in that they get off our regularly appropriated fund and are put on the pension fund as pensioners, where they belong, so that we might attract into the Government service and promote within the Government service young, aggressive folks to do the service which we think we need to render to the public.

Now, before we would, however, officially advocate any bill providing for the voluntary retirement of employees at the age of 50 without regard to service, we would want to know what our position is. Before I came down here today, gentlemen, I attempted to secure a break-down of the personnel of the Department of Agriculture by years of service. We have never made any study of that.

Some of the Bureaus in the Department of Agriculture are relatively old bureaus and we possibly have a large percentage of employees who are old in years as old in the number of years of service. How many of those there are I have not the slightest idea, so that before the Department would want to officially advocate voluntary retirement of employees at 50 without regard to age if they have had 30 years service, or after 25 years of service, we would want to see what effect it would have on the Department.

With respect to this particular bill with the voluntary feature left it in would have very little effect upon those folks who work in the Department of Agriculture for this reason:

Today, in discussing retirement with our folks in the Department of Agriculture who are all thinking about the liberal benefits of the new pay bill, well, I do not think many folks have much intention of retiring.

I think it would be well if we looked at what happened in January 1942 when the voluntary retirement age limit was reduced from 68, for the fiscal year ending June 30, 1941, there were 207 retirements in the Department of Agriculture.

Mr. MILLER. That is as of June 30, 1941?

Mr. HERRELL. Yes, sir; of that number 40 were voluntary, that is at age 68. For the fiscal year ending June 30, 1942, 6 months after the passage of the bill of January 1942, we had 243 retirements for all causes.

Gentlemen, it seems to be entirely unpredictable as to the extent that the employees of the Department of Agriculture will take advantage of this retirement. In the Department of Agriculture we just do not know; we have quite a different situation than you have in the Navy or War Departments. We do not anticipate any deep reductions in force, as is taking place in those agencies.

We do have these veteran problems. We had a total of 18,000 of our men and women who went into the armed forces. Eight thousand and civilians transferred to other branches of the Government within their employment right. We have a total personnel of between 60,000 and 65,000 people.

We do not feel that this Forand bill would cause any substantial retirements or bring any substantial retirements under its provisions in the Agriculture Department.

Mr. REES. In other words you have had 18,000 who left the Department and joined the armed forces?

Mr. HERRELL. Yes, sir; and of that number 10,000 have come back.

Mr. REES. Ten thousand have come back into the Agricultural Department already.

Mr. HERRELL. And in addition to that we have employed 7,000 of World War II veterans who never worked before with us. They of course hold war service employments but will have an opportunity to qualify as competitive examinations are given.

Mr. MILLER. That is bringing your program up to its normal position after curtailment for a number of years whereas the Navy and War Departments were greatly expanded during the war and they are now necessarily reducing their personnel; so that you are not going to have a let off your 25-year servicemen.

Mr. HERRELL. We do not anticipate that will happen. Congress has provided for the expansion of the Forestry Service and the Soil Conservation Service.

Mr. MILLER. Thank you very much.

STATEMENT OF MRS. J. A. MAULDING, DIRECTOR OF PERSONNEL, DEPARTMENT OF THE INTERIOR

Mr. MILLER. We will now hear from Mrs. J. A. Maulding, Director of Personnel, Department of the Interior.

Mrs. Maulding, give us your opinion how this legislation will affect your department?

Mrs. MAULDING. Mr. Chairman, I would like to say first the Department of the Interior has not been called on for an official report, nor have we cleared through the Bureau of the Budget, so I am here in an informal capacity. As we see it this bill would not affect us very materially, so all our thinking has been along general lines.

Our informal thinking has been this: We do favor the principle of the Forand bill, especially that part that relates to those involuntarily separated. In general we would favor liberalization of optional retirement so far as it might be done without jeopardizing the retirement fund. That is our general thinking on it. As to involuntary separations after 25 years of service, of course, we do not know what reduction in force may result from the ceilings under the new pay bill but we do not expect to have to retire any of the people who have had that length of service, because we have a comparatively large number of war service employees who would go out first.

Mr. REES. How many war-service employees do you have?

Mrs. MAULDING. We have about 12,000 war-service employees.

Mr. REES. And how many employees in the Department?

Mrs. MAULDING. We have altogether about 45,000, Congressman.

Mr. REES. And 12,000 of that number are war-service employees?

Mrs. MAULDING. Yes, sir.

Mr. REES. And how many veterans have you employed?

Mrs. MAULDING. In all about 14,000. We had about 8,000 who went in the service and have taken back 4,500, so we have 3,500 to come back if they do come back. We are also taking on new veterans at the rate of about 1,200 a month at the present time.

Mr. REES. They do not displace permanent employees in the Government?

Mrs. MAULDING. No, sir. Our records show we have 1,671 permanent employees with at least 25 years of service. Probably 500 would be within the optional provisions of the present retirement law.

Mr. REES. 1,671 out of 45,000?

Mrs. MAULDING. That is out of about 32,000, Congressman, who are under the Retirement Act. The others are temporary. We do not know, of course, how many might exercise the option if the voluntary provision remains in. I can only say our records back several years on optional retirement have run about 75 a year who have exercised their option.

Mr. MILLER. You do not feel this bill would have very much effect?

Mrs. MAULDING. No; that is our feeling. While we do not know what reductions may result, we do not expect to let out people with 25 years of service.

Mr. MILLER. I am glad to know, Mr. Rees, that apparently only two departments are affected by this and I presume if we called the other departments they would report the same as the Department of Agriculture and the Department of the Interior.

Mr. REES. I would like to ask Mr. Irons one or two questions.

During the discussion this morning there has been some question raised as to the amount of money that was yet to be contributed by the Government to the retirement fund to bring it up to date. In other words how much money is yet to be appropriated in order to bring the Government up to date in respect to its contributions?

I have here a document which among other things gives the annual appropriations of the Government on the basis of the pay roll of June 1, 1945, and under table II there is what is described as estimated annual contributions required to support the civil service requirement disability fund, prepared as of June 1, 1945.

According to this table it appears that the amount due to that fund from the Government, or as it says here "Paid by the Government" is approximately \$453,578,155 a year. Now what I want to know is this: Is that the amount of money that we owe that fund, if we paid it up to date?

Mr. MITCHELL. That was the amount of money the Government owes, according to the actuarial figures. The retirement bill was passed in 1920 and the House appropriated nothing up until 1929, and, generally speaking, since then it has never appropriated as much as the actuaries recommended, so that I presume that the figure given there is correct.

Mr. IRONS. Yes, sir. That is undoubtedly a correct figure for that year.

Mr. REES. In other words the appropriations committee of Congress just has not kept those appropriations up to date?

Mr. MITCHELL. It has not met them as recommended.

Mr. REES. We are now in arrears \$453,000,000 for that year?

Mr. MITCHELL. That is right. I was going to say half-a-billion dollars.

Mr. MILLER. The annual contribution is \$453,000,000? How much are we paying?

Mr. IRONS. Can't we look at it for a minute? You see for the first several years Congress appropriated nothing to the fund. I think probably in no year has the Congress appropriated what the Board of Actuaries has recommended. Sometime back—I think about 1929—this is a little past history, and I am not familiar with the exact years, it was agreed to amortize the deficiency over a period of years. The deficiency was created because Congress failed to appropriate anything for a period of years and also because each employee is granted free credit for service prior to 1920 before there was a retirement law. It was agreed the deficiency would be handled by an annual appropriation over a period of years up to 1998. You notice in your table II the \$453,000,000 is made up of \$302,000,000 for the current cost to the Government annually and \$151,000,000 for this year's proportionate cost of that deficiency.

Mr. MILLER. In other words it takes \$302,000,000 to handle the situation as we go along?

Mr. IRONS. Yes, sir.

Mr. MILLER. And it takes \$151,000,000 as a share that will be due these people; and we go along and take care of it at the rate of \$151,000,000 a year.

Mr. IRONS. That is the approach; that is on the assumption that it is essential for the Government to earmark and set aside in a retirement fund the liabilities of the Government rather than have them treated as general liabilities, as is true in the handling of the veterans benefits, for example? Another way of course would be for the Government to do its part on a share-and-share-alike proposition between the employees and the employer Government.

Mr. MILLER. Yes; except that we do take out of the employee's pay the amount he is supposed to pay each year?

Mr. IRONS. Yes, sir.

Mr. MILLER. And when he has paid that 5 percent he has paid his share of the fund?

Mr. IRONS. That is right.

Mr. MILLER. But the Government has not paid its share into the fund? Isn't that correct?

Mr. MITCHELL. Theoretically the retirement system is on a 50-50 basis. The employees have paid in since the beginning of the retirement fund \$324,000,000 more than the Government has appropriated. Under the retirement system all credits previous to 1920 were given to the employees without them paying anything. Regardless of that fact, I might call attention to the fact that all of the annuities up to date have been more than paid for out of deductions made from the pay roll, so that the Government is not in such bad shape as you seem to think. That is, in other words, that the United States Government—

Mr. REES (interposing). The Government is not in bad shape. [Laughter]?

Mr. MITCHELL. I was not speaking generally.

Mr. REES. I think it is in worse shape than I think it is.

Mr. MITCHELL. I do not think it is necessary for Congress to appropriate as much as the actuaries think to keep the fund sound.

Mr. REES. If you were going to furnish a financial statement with respect to this fund you would have to show a deficiency on the part of the Government, that the Government does owe that fund right now, because we just indicated we are trying to bring this backlog up at the rate of \$151,000,000 a year.

Mr. MITCHELL. I have no objection to Congress appropriating it.

Mr. REES. I am not criticizing you, but the Government is behind; we are in arrears in our contributions to the fund. I am trying to figure how much it would take to bring it up to date. I cannot get that figure.

Mr. MILLER. \$153,000,000 to 1998, 50 years.

Mr. IRONS. At present it would require over \$3,000,000,000 to show a balanced statement of assets and liabilities.

Mr. MITCHELL. And we have \$2,250,000,000 in the fund now.

Mr. MILLER. It would take \$3,000,000,000 for the Government to pay its share?

Mr. IRONS. Yes. In lieu of appropriating for this three billion liability in a lump sum, the Government since 1929 has been reducing this liability in accordance with a schedule which calls for complete liquidation by 1998.

Mr. REES. That is what I wanted to know.

Mr. MILLER. Are there any further questions?

I think we can go in executive session the next time we meet.

Mr. REES. Those who have testified on behalf of the bill and represented various organizations, I just wondered if there is anyone here who had anything further to say with respect to that question.

We have agreed that this proposal arises particularly in the War and Navy Departments. If anybody else present thinks differently we ought to know.

Mr. MILLER. Is there anyone here opposed to the bill?

Is no one opposed to the bill?

Mr. AMOS. Mr. Chairman, I would like to make a brief statement?

Mr. MILLER. You may proceed.

**STATEMENT OF W. T. AMOS, LOCAL 27, ELECTRICIANS,
WASHINGTON, D. C.**

Mr. AMOS. Mr. Chairman and gentlemen of the committee, I am W. T. Amos, representing the Electrical Workers, Local No. 27. We are in favor of this legislation. The electricians living here in the District could have gone out and made \$2 an hour and on Saturdays and Sundays could have made \$4 an hour. These men did not have to stay on the Government job but they did so. Most of them like me not in the draft volunteered to do our part and we stayed on the job to take care of that job and the men who went over there and fought could not have fought as well if our men had not stayed on the job, and I think those men should be taken care of first.

Mr. MILLER. Thank you.

I would like to read in the record a short statement from a pamphlet published by the United States Civil Service Commission entitled "Your Retirement System," being the first two paragraphs of the foreword [reading]:

A feeling of security and the knowledge that a regular income will be theirs at the end of their active careers can not help but promote the efficiency and morale of the employees. Recognizing this fact, the Federal Government, in 1920, through the enactment of the civil service retirement law, provided a plan whereby it joined with its own employees in assuring their freedom from want in later years.

As a future employee you share in this plan through the 5 percent deductions made from your salary. Also, you have the privilege of making voluntary contributions to purchase additional annuities. The Federal Government makes its contribution by periodical appropriation.

**STATEMENT OF PAUL M. CASTIGLIONI, LEGISLATIVE REPRESENTATIVE, NATIONAL
FEDERATION OF POST OFFICE MOTOR VEHICLE EMPLOYEES**

Mr. Chairman and members of the committee, my name is Paul M. Castiglioni, legislative representative of the National Federation of Post Office Motor Vehicle Employees, and I wish to record our organization as being heartily in favor of H. R. 4718, the bill you have before you for consideration this morning. However, we feel that the limitation provision of the bill as stated in lines 8 and 9 should be struck out and rather than emergency legislation this should be considered as permanent legislation.

I say this because the great majority of the men I have the honor to represent are the fellows who operate and maintain the post-office trucks that you see on the streets of every large city in the country. Because of the very nature of their work and because of the high physical standards required for the continuance of this work, a large number of our members are finding it exceedingly difficult to "hang on" until they become eligible for pension under the present law.

Please bear in mind, the physical standards required of a driver who operates a mail truck must necessarily be of the highest nature. These men operate trucks of from one-half ton to 5-ton capacity in 84 of our large cities and I am sure you gentlemen value the necessity of keen eyesight, normal hearing, and the full use of every member of their body that is required in the performance of their duties, bearing in mind also the fact that these men not only operate these trucks but load and unload them as well.

Surely you gentlemen of the committee, who don't appear to be exactly youngsters yourselves, can well appreciate that after doing this type of work for 20 or 25 years, these men most certainly find it very difficult to maintain the necessary standards of efficiency as required by the Post Office Department.

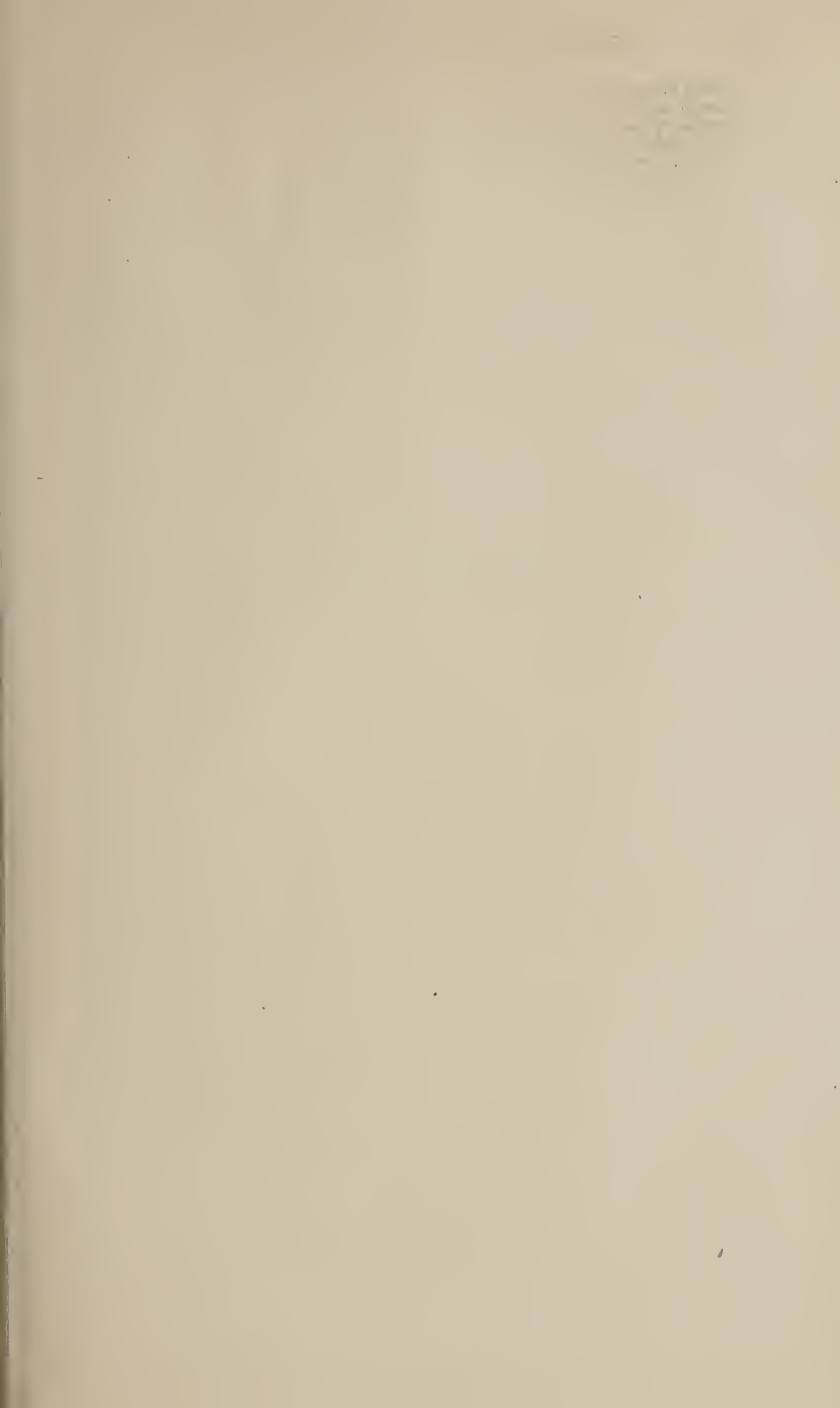
At this moment I can point out numerous cases where our men are no longer physically able to do the job originally assigned them, yet they are not eligible for disability pension under the present system. Frankly, the Post Office Department has been very humane toward these chaps and wherever it is possible they have found them a light-duty assignment of some sort. Thus this matter has become a problem, not only to the man involved but to the Department as well.

It is our hope that your committee will see fit to correct and eliminate this problem for both the employee and the Post Office Department by voting out favorably an amended bill to provide for optional retirement with full annuity after 25 years of service, regardless of age.

That is all. The committee will stand adjourned until the call of the Chair.

(Thereupon the committee adjourned to meet at the call of the Chair.)

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June

79TH CONGRESS
2^D SESSION

S. 2366

IN THE SENATE OF THE UNITED STATES

JUNE 24 (legislative day, MARCH 5), 1946

Mr. GREEN introduced the following bill; which was read twice and referred to the Committee on Civil Service

A BILL

To amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide annuities for employees with twenty-five years of service, who are involuntarily separated from the service between July 1, 1945, and June 30, 1947.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 7 (a) of the Act of May 29, 1930, is amended
4 by adding at the end of the first proviso thereof the fol-
5 lowing: "*Provided further, That any officer or employee*
6 to whom this Act applies who shall have been or shall be
7 involuntary separated from the service not by removal for
8 cause on charges of misconduct or delinquency, between
9 July 1, 1945, and June 30, 1947, both dates inclusive,

1 after having completed at least twenty-five years of service
2 computed under the provisions of section 5 hereof, shall be
3 paid an annuity beginning on the first day of the month
4 following the date of separation from service computed as
5 provided in section 4 of this Act except that such annuity
6 shall be reduced by one-sixth of 1 per centum for each full
7 month of age under sixty-two years; but if such separated
8 employee shall have completed thirty or more years of such
9 service the annuity shall be reduced by one-sixth of 1 per
10 centum for each full month of age under sixty years."

A BILL

To amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide annuities for employees with twenty-five years of service, who are involuntarily separated from the service between July 1, 1945, and June 30, 1947.

By Mr. GREEN

JUNE 24 (legislative day, MARCH 5), 1946

Read twice and referred to the Committee on
Civil Service

June 29

31. FARM-LABOR PROGRAM. The Agriculture Committee reported without amendment H. R. 6828, to authorize appropriations for continuation of the farm-labor supply program until June 30, 1947 (H. Rept. 2435)(p. 8131). An appropriation for this item has already been included in H. R. 6885, the third deficiency appropriation bill.

32. PERSONNEL. The Civil Service Committee reported with amendments H. R. 4718, to provide optional retirement for Government personnel who have rendered at least 25 years of service and have been separated from their employment, with a reduced annuity (H. Rept. 2443)(p. 8131).

The Claims Committee reported without amendment H. R. 4720, to provide for payment of claims of Government personnel on account of certain Comptroller General decisions regarding overtime, etc. (H. Rept. 2436)(p. 8131).

33. NAVAL APPROPRIATION BILL. Agreed to the conference report on this bill, H. R. 6496 (pp. 8085-91). The Senate has not yet acted on the report.

34. STATE, JUSTICE, COMMERCE, JUDICIARY APPROPRIATION BILL. Agreed to the conference report on this bill, H. R. 6056 (pp. 8118-25). The Senate has not yet acted on the report.

35. D. C. APPROPRIATION BILL. Further conferees were appointed on this bill, H. R. 5990 (pp. 8125-6).

36. WAR DEPARTMENT MILITARY APPROPRIATION BILL. Conferees were appointed on this bill, H. R. 6837 (p. 8117).

37. ADJOURNED until Mon., July 1 (p. 8131). The legislative program for ~~this~~ week, as announced by Majority Leader McCormack: Mon., F. D. Roosevelt ceremonies, OPA extension; Tues., consent and private calendars; Wed., railroad retirement; Thurs., no business; Fri. and Sat., British loan (p. 8127).

SENATE - June 29

38. GOVERNMENT CORPORATIONS APPROPRIATION BILL. Passed with amendments this bill, H. R. 6777 (pp. 8053-5).

Agreed to an amendment by Sen. Taft, Ohio, stating that the types of programs set forth in the 1947 budget of the Commodity Credit Corporation, within the funds available to it, are approved, but the subsidy program shall be subject to the provisions of H. R. 6042, the price-control bill which was vetoed (p. 8053).

Sen. George, Ga., spoke against the provision for a \$3,000,000 TVA fertilizer plant at Mobile, and Sen. McKellar, Tenn., defended the item (pp. 8053-4).

Sens. McKellar, Hayden, Russell, Overton, Thomas of Okla., Brooks, Bridges, and Gurney were appointed Senate conferees (p. 8055).

39. NATIONAL SCIENCE FOUNDATION. Debated S. 1850, to promote the progress of science and the useful arts, to secure the national defense, and to advance the national health and welfare (pp. 8055-8).

40. HOUSING. Sen. Knowland, Calif., deplored the shortage of material to carry on the veterans' housing program (pp. 8058-9).

41. FARM CREDIT. Passed as reported H. R. 6477, to continue Land Bank Commissioner loans, etc. (p. 8059).

42. RECONSTRUCTION FINANCE CORPORATION. Passed as reported S. J. Res. 156, to continue RFC (p. 8059).
43. LABOR-FEDERAL SECURITY APPROPRIATION BILL. Passed with amendments H. R. 6739, this bill (pp. 8060-70). Conferees were appointed (p. 8070).
44. BANKRUPTCY. Passed without amendment H. R. 6682, to amend Secs. 31-3, and repeal Sec. 84, of the Bankruptcy Act (p. 8070). This bill will now be sent to the President.
45. PRICE CONTROL. Sen. Wagner, N. Y., asked permission to introduce a measure to continue the price-control laws until July 20, but Sen. O'Daniel, Tex., objected; Sens. Barkley and others discussed the proposal (pp. 8070-2, 8074-5).
46. NAVAL APPROPRIATION BILL. Agreed to the conference report on this bill; H. R. 6496 (pp. 8072-4).
47. FARM CREDIT. Passed without amendment S. 2280, to authorize the Federal Farm Mortgage Corporation to purchase GI loans (p. 8075).
Passed as reported H. R. 5991, the Cooley farm-credit bill, with a committee amendment substituting the language of S. 1507, the Bankhead bill (pp. 8075-6).
48. CONGRESSIONAL REORGANIZATION. Sen. Morse, Oreg., inserted editorials favoring reorganization of Congress (pp. 8078-9).
49. ADJOURNED until Mon., July 1 (p. 8082).

BILLS INTRODUCED - June 29

50. RESEARCH. H. R. 6932, by Rep. Flannagan, Va., a revision of H. R. 6548 (the Flannagan bill) and H. R. 6692 (the Hope bill). To Agriculture Committee.
51. PRICE CONTROL. H. J. Res. 371 (see above), by Rep. Spence, Ky., to continue OPA until July 20. To Banking and Currency Committee.
H. Con. Res. 159, by Rep. Schwabe, Okla., to direct the President to prohibit the exportation of not over 2% of all durable goods produced, processed, or sold under the Price Control and Stabilization Acts. To Banking and Currency Committee. (p. 8132.)
52. ATOMIC ENERGY. H. Res. 688, by Rep. Luce, Conn., for development and control of atomic energy. To Rules Committee. (p. 8132.)

ITEMS IN APPENDIX - June 29

53. FOREIGN RELIEF. Sen. Smith, N. J., inserted an address by Herbert Hoover on world famine (pp. A4011-2).
54. CONGRESSIONAL REORGANIZATION. Rep. Luce, Conn., inserted an editorial favoring reorganization of Congress (p. A4015).
Rep. Woodruff, Mich., inserted editorials favoring congressional reorganization (p. A4028).
55. CHEESE INDUSTRY. Sen. Wiley, Wis., inserted a Holiday Magazine article commending Wis. cheese (pp. A4016-7).
56. HAY. Extension of remarks of Rep. Doyle, Calif., describing the Calif. Hay

I was a member of the Health Service which was rendered by the California Physicians Service, and to me it was an excellent way by which I could budget monthly to take care of the health needs of myself and my family, including an emergency, such as hospitalization. There were additional provisions in the California Physicians' Service for it, and I am sure the gentleman knows that this movement has already spread to a great many other States outside of California. I think there are about 20 now that have various plans.

Mr. JUDD. To me this is one of the geneses of this form of government. It should not be imposed from the top. In all of the 48 States you can have trial and error, and until we know what is sound and what is unsound, as we do in education and as we do in medicine, we ought by all means to keep decentralized the system where we can carry out such experimenting in order to make sure that the ultimate system adopted for the country will be sound. I thank the gentleman for bringing this to the attention of the House.

Mr. SMITH of Ohio. Mr. Speaker, if the gentleman will yield further, as I understand this program is expanding; it is growing.

Mr. OUTLAND. That is correct. It is expanding and growing, I will say to the gentleman from Ohio, not only in California but other States are experimenting along the same line as I have tried to point out.

As I said in response to one of the statements of the gentleman from Minnesota, to me it is a very healthy omen, a very good sign that the medical profession itself is waking up to its responsibility in regard to more decent care for the American people.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. OUTLAND. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. Will the gentleman tell me what the plan is called?

Mr. OUTLAND. California Physicians' Service.

Mrs. ROGERS of Massachusetts. I am very much interested because we have a low-cost plan in the State of Massachusetts.

Mr. OUTLAND. Yes. I am familiar with the plan to a very limited degree.

(Mr. OUTLAND asked and was given permission to revise and extend his remarks.)

EXTENSION OF EMERGENCY PRICE CONTROL ACT AND STABILIZATION ACT

The SPEAKER laid before the House the following communication:

THE WHITE HOUSE,
Washington, June 29, 1946.

Memorandum for the Speaker:

On page 10 of the Message of the President returning to the House of Representatives today, without approval, H. R. 6042, "An act to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes," the date October 1-15, 1946 appears incorrectly in the next to the last paragraph. This date should read October 1-15, 1941 (instead of 1946).

Will you kindly have the official copy and the RECORD corrected accordingly?

CHARLES G. ROSS,
Secretary to the President.

The SPEAKER. Without objection, the correction will be made.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. PACE, for Tuesday and Wednesday, July 2 and 3, 1946, on account of urgent official business.

To Mr. SHERIDAN (at the request of Mr. GREEN), indefinitely, on account of official business.

To Mr. TOWE (at the request of Mr. EATON), for 4 days, on account of official business.

To Mr. THOMAS of New Jersey (at the request of Mr. CANFIELD), from June 29 to July 5, 1946, on account of illness.

To Mr. HARTLEY (at the request of Mr. SUNDSTROM), for 3 days, on account of official business.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from Speaker's table and, under the rule, referred as follows:

S. 2234. An act to amend the District of Columbia Unemployment Compensation Act, to provide for unemployment compensation in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1654. An act to provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes;

H. R. 3517. An act to authorize the admission into the United States of persons of races indigenous to India, and persons of races indigenous to the Philippine Islands, to make them racially eligible for naturalization, and for other purposes;

H. R. 4512. An act to amend the Public Health Service Act to provide for research relating to psychiatric disorders and to aid in the development of more effective methods of prevention, diagnosis, and treatment of such disorders, and for other purposes;

H. R. 5244. An act to authorize the appointment of additional foreign-service officers in the classified grades;

H. R. 5716. An act to amend the Second War Powers Act, 1942, as amended;

H. R. 6335. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1947, and for other purposes;

H. R. 6429. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1947, and for other purposes; and

H. R. 6516. An act to increase the salaries of the Metropolitan Police, the United States Park Police, the White House Police, and the members of the Fire Department of the District of Columbia.

BILLS PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on the following

dates present to the President, for his approval, bills of the House of the following title:

On June 28, 1946:

H. R. 6042. An act to amend the Emergency Price Control Act of 1942, as amended, and for other purposes.

On June 29, 1946:

H. R. 1654. An act to provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes;

H. R. 3517. An act to authorize the admission into the United States of persons of races indigenous to the Philippine Islands, to make them racially eligible for naturalization, and for other purposes;

H. R. 4512. An act to amend the Public Health Service Act to provide for research relating to psychiatric disorders and to aid in the development of more effective methods of prevention, diagnosis, and treatment of such disorders, and for other purposes;

H. R. 5244. An act to authorize the appointment of additional foreign-service officers in the classified grades;

H. R. 5716. An act to amend the Second War Powers Act, 1942, as amended;

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H. R. 6429. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1947, and for other purposes; and

H. R. 6516. An act to increase the salaries of the Metropolitan Police, the United States Park Police, the White House Police, and the members of the Fire Department of the District of Columbia.

ADJOURNMENT

Mr. MCCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 31 minutes p. m.), under its previous order, the House adjourned until Monday, July 1, 1946, at 11:30 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FLANNAGAN: Committee on Agriculture. H. R. 6828. A bill to provide for continuance of the farm labor supply program up to and including June 30, 1947; without amendment (Rept. No. 2435). Referred to the Committee of the Whole House on the State of the Union.

Mr. CHENOWETH: Committee on Claims. H. R. 4720. A bill to amend the act of December 7, 1944, relating to certain overtime compensation of civilian employees of the United States; without amendment (Rept. No. 2436). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANDOLPH: Committee on the Civil Service. H. R. 4718. A bill to provide optional retirement for Government officers and employees who have rendered at least 25 years of service; with amendments (Rept. No. 2443). Referred to the Committee of the Whole House on the State of the Union.

Mr. SABATH: Committee on Rules. House Resolution 689. Resolution providing for the consideration of House Joint Resolution 371, joint resolution extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended; without amendment (Rept. No. 2444). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DOYLE: Committee on Claims. H. R. 1351. A bill for the relief of Maxine Estelle Boyle, Max W. Boyle, and E. B. Rosegarten; with amendments (Rept. No. 2437). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 1631. A bill for the relief of William Tolar Smith; without amendment (Rept. No. 2438). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on Claims. H. R. 2850. A bill for the relief of Felix Napiorkowski; without amendment (Rept. No. 2439). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 5874. A bill for the relief of Joseph Maezer; with amendments (Rept. No. 2440). Referred to the Committee of the Whole House.

Mr. BARRETT of Pennsylvania: Committee on Claims. H. R. 4496. A bill for the relief of Anne Robinson Norwood; without amendment (Rept. No. 2441). Referred to the Committee of the Whole House.

Mr. COMBS: Committee on Claims. H. R. 6321. A bill for the relief of Dr. Theodore A. Gelssman; with amendments (Rept. No. 2442). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public

bills and resolutions were introduced and severally referred as follows:

By Mr. BIEMILLER:

H. R. 6931. A bill to provide appropriate medals for mothers of members of the armed forces who lost their lives in action against an enemy of the United States in World War II; to the Committee on Military Affairs.

By Mr. FLANNAGAN:

H. R. 6932. A bill to provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products; to the Committee on Agriculture.

By Mr. MAY:

H. R. 6933. A bill to change the name of the Chemical Warfare Service; to the Committee on Military Affairs.

By Mr. BLAND:

H. J. Res. 370. Joint resolution granting certain property to the Commonwealth of Pennsylvania and relinquishing jurisdiction therein; to the Committee on the Merchant Marine and Fisheries.

By Mr. SPENCE:

H. J. Res. 371. Joint resolution extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended; to the Committee on Banking and Currency.

By Mr. SCHWABE of Oklahoma:

H. Con. Res. 159. Concurrent resolution to direct the President to take the necessary action to prohibit the exportation of not more than 2 percent of all durable goods produced, processed, or sold under the Emergency Price Control Act of 1942; as amended, and/or the Stabilization Act of 1942, as amended; to the Committee on Banking and Currency.

By Mrs. LUCE:

H. Res. 698. A resolution for the development and control of atomic energy; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ELCOM:

H. R. 6934. A bill for the relief of Avelino, Francisca, Stella, and Irls Iglesias and Avelino Iglesias, Jr.; to the Committee on Immigration and Naturalization.

By Mr. EARTHMAN:

H. R. 6935. A bill granting a pension to Mollie Manis; to the Committee on Pensions.

By Mr. JARMAN:

H. R. 6936. A bill granting an increase of pension to Grizelda Hull Hobson; to the Committee on Invalid Pensions.

By Mr. McCORMACK:

H. R. 6937. A bill for the relief of the Atlantic Meat Co., Inc., of Boston, Mass.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII,

2048. Mr. LUTHER A. JOHNSON presented a petition of L. F. Varvel, Sr., route 1, box 120, Easterly, Tex., favoring House bill 6340; to the Committee on World War Veterans' Legislation.

RETIREMENT FOR CERTAIN OFFICERS AND EMPLOYEES AFTER 25 YEARS OF SERVICE

JUNE 29, 1946.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

MR. RANDOLPH, from the Committee on the Civil Service, submitted the following

R E P O R T

[To accompany H. R. 4718]

The Committee on the Civil Service, to whom was referred the bill (H. R. 4718) to provide optional retirement for Government officers and employees who have rendered at least 25 years of service, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Strike out all after the enacting clause and insert in lieu thereof a substitute which appears in the reported bill in italic type.

Amend the title so as to read:

A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least twenty-five years of service.

This bill is temporary legislation urgently needed to take care of an emergency situation which has arisen in the period of readjustment following the termination of hostilities in World War II. During this period the Government is not only reducing the number of its employees but is also displacing long-service employees with returning veterans. The introduction of H. R. 4718 by Mr. Forand, of Rhode Island, was prompted by the desperate plight of numerous citizens of Newport, R. I., who were discharged after many years of service when the Navy Department discontinued the manufacture of torpedoes at the Newport Naval Torpedo Station.

The Civil Service Commission, the General Accounting Office, and the Bureau of the Budget opposed the bill, as introduced, largely on the grounds of its high maximum potential cost since it includes voluntary separations as well as involuntary separations and provides an annuity which is not reduced by reason of retirement before the age

prescribed by the Civil Service Retirement Act of May 29, 1930, as amended. The representative of the Bureau of the Budget, while advancing the President's proposal for unemployment insurance for Government employees as a possible substitute for the bill, admitted, upon questioning, that the Bureau would not feel that unemployment insurance would be sufficient protection for the group sought to be covered by the bill.

The committee substitute, which includes several amendments suggested by the Civil Service Commission and the General Accounting Office, in large measure meets the objections to the original bill and brings the proposed legislation much more in line with sound actuarial principles. There is attached at the end of this report a letter from the President of the Civil Service Commission stating that the Commission recommends favorable action on the substitute proposal.

The purpose of the committee substitute is to provide annuities for long-service officers and employees who between August 14, 1945, and August 14, 1947, (1) have been involuntarily separated from the service or (2) have been voluntarily separated from the service, if they have accepted positions with lower rates of basic compensation after having been involuntarily separated between such dates from positions with higher rates of basic compensation and were receiving less than such higher rates at the time of their voluntary separation. No officer or employee is eligible for the benefits of the bill unless he has had at least 25 years of Government service and has been separated on other grounds than misconduct or delinquency.

The annuity paid to any officer or employee under the committee substitute will have a value equal to an annuity computed as provided in section 4 of the Civil Service Retirement Act of May 29, 1930, as amended, reduced by one-sixth of 1 percent for each month (or fractional part thereof) such officer or employee is under the age of retirement prescribed by such act for an officer or employee with his length of service.

The Civil Service Commission estimates that the cost of annuities under the committee substitute will be about \$4,000 for each person, and that approximately 5,000 persons will receive such annuities.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington 25, D. C., June 27, 1946.

HON. JENNINGS RANDOLPH,
Chairman, Committee on Civil Service,
House of Representatives

DEAR MR. RANDOLPH: Reference is made to telephone conversation of this date regarding bill H. R. 4718 introduced by Congressman Forand which would provide optional retirement for officers or employees of the Government who have rendered at least 25 years of service and the proposed substitute therefor recommended by your retirement subcommittee.

The Commission under date of December 17, 1945, made report to your committee on H. R. 4718 in which it expressed disapproval thereof. The Commission's action was based on the optional feature of the bill and the excessive cost thereof.

The substitute bill offered by your retirement subcommittee restricts the allowance of the annuity benefits to those persons who are involuntarily separated without fault on their part after 25 years of service and to those who by reason of a reduction in force program are obliged to accept position with lower rates of pay. The substitute bill further provides for reduction in annuity by one-sixth of 1 percent for each month of age the employee at the time of separation is under the optional retirement age.

Section 7 of the Civil Service Retirement Act provides for an annuity beginning at the age of 55 years in cases of persons involuntarily separated after at least 5

years of service. The rate of annuity, however, is quite small, and no income at all is provided for the years intervening between the date of separation and attainment of age 55. In the opinion of the Commission, the rate of annuity now available when applied to such persons with service of 25 years or more who can meet the age requirements is inadequate and a more liberal retirement should be afforded to such employees. These employees are generally career employees who have relied upon the terms of the retirement law for security upon retirement from the Government service. Any reduction in force should be effected with the least possible hardship to the employees involved.

The Commission is in favor of the substitute proposal and recommends favorable action thereon.

Because of the necessity of immediate reply to your request the Commission has not been able to secure the advice of the Bureau of the Budget as to relationship of this bill to the program of the President.

By direction of the Commission.

Very sincerely yours,

HARRY B. MITCHELL, *President.*

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in the Civil Service Retirement Act of May 29, 1930, as amended, made by the bill, as introduced, are shown as follows (existing law in which no change is proposed is printed in roman and new matter is shown in italics):

ELIGIBILITY FOR SUPERANNUATION RETIREMENT

SEC. 1. (a) All officers and employees to whom this Act applies who shall have attained, or shall hereafter attain the age of seventy years and have rendered at least fifteen years of service computed as prescribed in section 5 of this Act shall be eligible for retirement on an annuity as provided in section 4 hereof.

(b) Any officer or employee to whom this Act applies who shall have attained, or shall hereafter attain the age of sixty years and have rendered at least thirty years of service computed as prescribed in section 5 of this Act, or who shall have attained, or shall hereafter attain the age of sixty-two years and have rendered at least fifteen years of such service may, upon his own option, retire and shall be paid an annuity computed as provided in section 4 of this Act.

(c) The head of a department or independent Government agency concerned may request the retirement of any such officer or employee described in subsection (b) of this section who, by reason of a disqualification is unable to perform satisfactorily and efficiently the duties of his position or some other position of the same grade or class as that occupied by the employee and to which he could be assigned. No such request shall be submitted to the Civil Service Commission unless and until the said officer or employee has been notified in writing of the proposed retirement. Each such officer or employee shall, upon request by him, have opportunity for a hearing before the Civil Service Commission, at which hearing the officer or employee may appear in person or he may be represented by a person of his choice. No such officer or employee shall be so retired unless the Civil Service Commission after examination finds that he is so disqualified. The determination of the Civil Service Commission as to whether the officer or employee shall be retired under this subsection shall be final and conclusive. Any person so retired shall be paid an annuity computed as provided in section 4 hereof. Nothing in this subsection shall be deemed to authorize any person to request the retirement of any officer or employee in the legislative branch of the Government within the classes of officers and employees which were made eligible for the benefits of this Act by the Act of July 13, 1937, or any employee of the office of the Architect of the Capitol.

(d) Any officer or employee who has completed thirty years of service computed in accordance with the provisions of section 5 hereof and who has reached or may hereafter reach the age of fifty-five years, may voluntarily retire and shall be paid an immediate life annuity beginning on the first day of the month following the date of separation from the service having a value equal to the present worth of a deferred annuity at the age of sixty years computed as provided in section 4 of this Act.

(e) *Any officer or employee of the United States to whom this Act applies who shall have been voluntarily or involuntarily separated from the service between August 14, 1945, and August 14, 1947, after having rendered at least twenty-five years of service computed under the provisions of section 5 hereof, shall be paid an annuity computed as provided in section 4 of this Act.*

If none of the options provided in this section is exercised prior to the date upon which the officer or employee would otherwise be eligible for retirement from the service, the provisions of this Act with respect to automatic separation from the service shall apply.



Union Calendar No. 741

79TH CONGRESS
2^D SESSION

H. R. 4718

[Report No. 2443]

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 16, 1945

Mr. FORAND introduced the following bill; which was referred to the Committee on the Civil Service

JUNE 29, 1946

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To provide optional retirement for Government officers and employees who have rendered at least twenty-five years of service.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 ~~That section 1 of the Civil Service Retirement Act of May 29,~~
4 ~~1930, as amended, is hereby amended by inserting after the~~
5 ~~first paragraph of subsection (d) a new subsection as follows:~~
6 ~~“(e) Any officer or employee of the United States to~~
7 ~~whom this Act applies who shall have been voluntarily or~~
8 ~~involuntarily separated from the service between August 14,~~
9 ~~1945, and August 14, 1947, after having rendered at least~~

1 ~~twenty-five years of service computed under the provisions~~
2 ~~of section 5 hereof, shall be paid an annuity computed as pro-~~
3 ~~vided in section 4 of this Act."~~

4 *That section 1 of the Civil Service Retirement Act of May*
5 *29, 1930, as amended, is amended by adding at the end*
6 *thereof the following new subsection:*

7 *"(e) Any officer or employee to whom this Act applies*
8 *who, after having rendered at least twenty-five years of*
9 *service computed as prescribed in section 5 of this Act,*

10 *"(1) shall have been involuntarily separated from*
11 *the service not by removal for cause on charges of mis-*
12 *conduct or delinquency between August 14, 1945, and*
13 *August 14, 1947; or*

14 *"(2) shall have been voluntarily separated from the*
15 *service between such dates if such officer or employee*
16 *had accepted a position with a lower rate of basic salary,*
17 *pay, or compensation after having been involuntarily*
18 *separated (not by removal for cause on charges of mis-*
19 *conduct or delinquency) between such dates from a*
20 *position with a higher rate of basic salary, pay, or com-*
21 *ensation, and was receiving less than such higher rate*
22 *at the time of his voluntary separation,*

23 *shall be paid an immediate life annuity beginning on the*
24 *first day of the month following the date of final separation*
25 *from the service or the first day of the month following the*

1 *date of enactment of this subsection, whichever date is the*
2 *later. Such annuity shall have a value equal to an annuity*
3 *computed as provided in section 4 of this Act reduced by*
4 *one-sixth of 1 per centum for each month (or fractional part*
5 *thereof) any such officer or employee is (A) under the age*
6 *of sixty years if he has rendered at least thirty years of*
7 *service computed as prescribed in section 5 of this Act, or*
8 *(B) under the age of sixty-two years if he has rendered less*
9 *than thirty years of service computed as prescribed in section*
10 *5 of this Act."*

Amend the title so as to read: "A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least twenty-five years of service."

79TH CONGRESS
2^D Session

H. R. 4718

[Report No. 2443]

A BILL

To provide optional retirement for Government officers and employees who have rendered at least twenty-five years of service.

By Mr. FORAND

NOVEMBER 16, 1945

Referred to the Committee on the Civil Service

JUNE 29, 1946

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued July 11, 1946
For actions of July 10, 1946
79th-2nd, No. 134

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HIGHLIGHTS: Senate debated price-control bill; agreed to Eastland amendment to prohibit cottonseed and soybean ceilings, agreed to Wherry amendment to prohibit milk ceilings, and rejected Reed amendment to prohibit grain ceilings. Senate committee reported various personnel bills relating to retirement, educational leave, appointment of veterans, and efficiency ratings. House Rules Committee cleared bill to authorize 3 additional Assistant Secretaries of Commerce. Rep. Johnson (Okla.) criticized USDA's requirement of sale of $\frac{1}{2}$ of all wheat delivered to elevators to the Government.

SENATE

1. PRICE CONTROL. Continued debate on H. J. Res. 371, to continue and amend the Price Control and Stabilization Acts (pp. 8661-83, 8691-711). Agreed, 42-34, to the revised Eastland amendment to prohibit price ceilings on cottonseed or soybeans or their products (pp. 8664-6). Agreed, 51-27, to the Wherry amendment prohibiting ceilings on milk or its food or feed products (pp. 8666-82). Rejected, 32-40, the Reed amendment to prohibit ceilings on most grains and their products (pp. 8682-3, 8691-705).
2. PERSONNEL. The Civil Service Committee reported the following bills (p. 8657):
 - S. 1835, to provide for uniform administration of efficiency ratings; with amendment (S. Rept. 1677).
 - S. 2183, to authorize department heads to grant educational leave with pay to scientific, technical, and professional employees, not to exceed 18 months in any 10-year period; with amendments (S. Rept. 1676).
 - S. 2366, to provide for immediate retirement of employees separated through no fault of their own after 25 years of service if they are at least 55; with amendment (S. Rept. 1678).
 - H. R. 5831, to include department heads under the Civil Service Retirement Act; without amendment (S. Rept. 1679).
 - H. R. 6673, to amend the Civil Service Retirement Act to permit an employee to draw both a retirement annuity and compensation under the Employees' Compensation Act for a family member killed in Government service; without amendment (S. Rept. 1680).
 - H. R. 6903, to provide benefits for certain employees who are veterans of World War II and lost opportunity for probational appointment because of their service in the armed forces; without amendment (S. Rept. 1681).

3. PERSONNEL; ECONOMY. Chairman Byrd of the Joint Committee on Reduction of Non-essential Federal Expenditures inserted and discussed the Committee's monthly personnel report (pp. 8658-9).
4. TREASURY-POST OFFICE APPROPRIATION BILL. Agreed to a further conference report on this bill, H. R. 5452, and conferees were appointed for still a further conference (pp. 8683-91).
5. FARM CREDIT. Sen. Capper inserted an American Veterans' Committee letter favoring the Senate version of H. R. 5991, the Cooley bill (pp. 8656-7).
6. WATER COMPACT. The Irrigation and Reclamation Committee reported without amendment H. R. 4701, to authorize Utah, Idaho, and Wyoming to enter into a compact for division of Bear River waters (S. Rept. 1697)(p. 8657).
7. RECLAMATION. Received from the President a \$1,086,000 supplemental appropriation estimate for the Bureau of Reclamation (S. Doc. 237)(p. 8656). To Appropriations Committee. (p. 8656.)
The Irrigation and Reclamation Committee reported with amendment S. 2372, to authorize construction of the Lewiston Orchards project, Idaho (S. Rept. 1675)(p. 8657).
8. RIVERS AND HARBORS. Agreed to the conference report on H. R. 6407, authorizing construction, repair, and preservation of certain public works on rivers and harbors (p. 8663). This bill will now be sent to the President.
9. WILDLIFE CONSERVATION. The Agriculture and Forestry Committee reported with amendment H. R. 6097, to make various amendments to the Pittman-Robertson Wildlife Conservation Act, including a provision for consultation with the Fish and Wildlife Service when a Federal agency is to impound or otherwise control waters (S. Rept. 1698)(p. 8657).
10. FEDERAL-AID INVESTIGATION. S. Res. 300 (see Digest 132). The committee report includes financial data on Extension, ARA, PS, SCS, and school-lunch-programs; indicates that the Education and Labor Committee, which would make the investigation, will "consult with" the Agriculture and Forestry Committee, but says the committee would not investigate programs under the jurisdiction of other committees; and includes a series of questions which the committee intends to ask regarding "regional development" and "sound fiscal policy."

Excerpts from the report:

"The present situation on Federal grants to State and local governments is extremely chaotic...one Federal-aid program has been piled on top of another--without sufficient effort to appraise the general effect...or to achieve coordination among the innumerable Federal-aid programs...In some cases the purpose of Federal aid has been to help finance a higher level of essential public works or public services. But it is often charged that the effect has been merely to substitute Federal funds for local funds, with no increase whatsoever in the level of public works or services. In other cases the purpose has been to assist States who are most in need of financial aid. But the effect, it has been said, has been to provide the most money for those States who are least in need. In most cases, it has been the purpose of the Federal Government to provide Federal aid on a basis that will keep administrative red tape at a minimum. But the net effect of our present Federal-aid program, which has simply 'grown like Topsy,' is a wild morass of red tape and administrative confusion...The committee believes that the study and investigation of this prob-

smaller than family-size farms which, together with their disability pensions, will provide sufficient income to support the disabled veterans' family. The Senate version provides for such highly desirable loans to disabled veterans.

5. The House bill does not make adequate provisions for variable payments. The Senate version leaves the original provisions of the Bankhead-Jones Farm Tenant Act in operation. Variable payments provide the veteran-farmer with insurance against losing his farm because of factors beyond his control, such as crop failures due to drought or insects.

6. We would like to state our opposition to the provisions of the House version which prohibit further rehabilitation loans above \$5,000, prohibit the extension of such loans beyond 5 years from the date of the original loans, and prohibit the making of further loans to a borrower who has been indebted to the lending agency for 5 consecutive years. A veteran-farmer may be making progress but may not have completely repaid his rehabilitation loans at the end of 5 years. Additional funds may well enable him to complete his rehabilitation and to repay all outstanding rehabilitation loans, but lack of such funds may prevent him from repaying the balance of the rehabilitation loans, force him to quit farming, and consequently force a foreclosure.

We deeply appreciate your sincere efforts in this field, and trust that in drafting the final bill you will take into serious consideration the ideas expressed above.

Very truly yours,

CHAT PATERSON,
National Legislative Representative,
American Veterans' Committee
(AVC).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCARRAN:

From the Committee on the Judiciary:

S. 2326. A bill to incorporate the Amvets, American Veterans of World War II; without amendment (Rept. No. 1674).

From the Committee on Irrigation and Reclamation:

S. 2372. A bill to authorize the Secretary of the Interior to construct the Lewiston Orchards project, Idaho, in accordance with the Federal reclamation laws; with an amendment (Rept. No. 1675).

By Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry:

H. R. 6097. A bill to amend the act of March 10, 1934, entitled "An act to promote the conservation of wildlife, fish, and game, and for other purposes"; with an amendment (Rept. No. 1698).

By Mr. DOWNEY, from the Committee on Civil Service:

S. 1835. A bill to provide for the uniform administration of efficiency ratings; with an amendment (Rept. No. 1677);

S. 2183. A bill to authorize the heads of executive departments and independent establishments of the United States Government to grant scientific, technical, and professional employees short leaves of absence for advanced research and study; with amendments (Rept. No. 1676);

S. 2366. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide annuities for employees with 25 years of service, who are involuntarily separated from the service between July 1, 1945, and June 30, 1947; with an amendment (Rept. No. 1678);

H. R. 5831. A bill to include the heads of executive departments and independent agencies within the purview of the Civil Service Retirement Act of May 29, 1930; without amendment (Rept. No. 1679);

H. R. 6673. A bill to amend section 6 of the Civil Service Retirement Act of May 29, 1930, as amended; without amendment (Rept. No. 1680); and

H. R. 6903. A bill to provide benefits for certain employees of the United States who are veterans of World War II and lost opportunity for probational civil-service appointments by reason of their service in the armed forces of the United States; without amendment (Rept. No. 1681).

By Mr. JOHNSTON of South Carolina, from the Committee on Claims:

H. R. 3145. A bill for the relief of A. C. McMeans; without amendment (Rept. No. 1682);

H. R. 3158. A bill for the relief of Leonard J. Fox and Milford G. Fox, a partnership, doing business as Fox Co.; without amendment (Rept. No. 1683);

H. R. 5025. A bill for the relief of Mrs. Opal Riley and Robert R. Riley; with amendments (Rept. No. 1685); and

H. R. 5722. A bill for the relief of Charles L. Cannon; without amendment (Rept. No. 1684).

By Mr. O'DANIEL, from the Committee on Claims:

H. R. 4492. A bill for the relief of Charles Marvin Smith; without amendment (Rept. No. 1686).

By Mr. HUFFMAN, from the Committee on Claims:

H. R. 2319. A bill for the relief of J. B. Shropshire; without amendment (Rept. No. 1687).

By Mr. EASTLAND, from the Committee on Claims:

S. 1277. A bill for the relief of William S. Brown; with amendments (Rept. No. 1688); and

H. R. 1345. A bill for the relief of David M. Matteson; without amendment (Rept. No. 1689).

By Mr. McMAHON, from the Committee on Claims:

H. R. 4616. A bill for the relief of the Maryland Sanitary Manufacturing Corp. of Baltimore, Md.; with an amendment (Rept. No. 1690); and

H. R. 4660. A bill for the relief of Mrs. Georgia Lanser and Ensign Joseph Lanser; without amendment (Rept. No. 1691).

By Mr. WILSON, from the Committee on Claims:

S. 1731. A bill for the relief of Lester A. Dessez; without amendment (Rept. No. 1692);

H. R. 1957. A bill for the relief of the Ohio Valley General Hospital, Wheeling Clinic, Rosetta Snyder, Virginia Barron, Dr. Paul H. Cope, and Dr. J. E. Ricketts; without amendment (Rept. No. 1693);

H. R. 3043. A bill for the relief of Wilma E. Baker; with an amendment (Rept. No. 1696);

H. R. 3857. A bill for the relief of Warren H. Thompson and Madeline Parent; without amendment (Rept. No. 1694); and

H. R. 6213. A bill for the relief of Brevet First Lt. Margaret Utinsky; without amendment (Rept. No. 1695).

By Mr. O'MAHONEY, from the Committee on Irrigation and Reclamation:

H. R. 4701. A bill granting the consent of Congress to the States of Utah, Idaho, and Wyoming to negotiate and enter into a compact for the division of the waters of the Bear River and its tributaries; without amendment (Rept. No. 1697).

MAY B. MURPHY

Mr. LUCAS. Mr. President, from the Committee To Audit and Control the Contingent Expenses of the Senate, I ask

unanimous consent to report favorably without amendment Senate Resolution 299, submitted by the Senator from New York [Mr. WAGNER] on July 3, and I request its immediate consideration.

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to May B. Murphy, widow of George W. Murphy, late an employee of the Senate, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation two lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate a report for the months of April, May, and June 1946, from the chairman of a certain committee, in response to Senate Resolution 319 (78th Cong.) relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which was ordered to lie on the table and to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON EDUCATION AND LABOR,
SUBCOMMITTEE ON HEALTH AND EDUCATION,
July 9, 1946.

MR. LESLIE L. BIFFLE,
Secretary of the Senate,
United States Capitol,
Washington, D. C.

DEAR MR. BIFFLE: I transmit herewith the list of employees of the Subcommittee on Health and Education who are not full-time employees of the Senate. The Subcommittee on Health and Education is reimbursing the Federal Public Housing Authority for the months of April, May, and June for the service of these employees.

Always sincerely,

CLAUDE PEPPER,
Chairman.

SUBCOMMITTEE ON HEALTH AND EDUCATION

JULY 9, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the months of April, May, June 1946, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Bragman, Charles.....	Arlington Village Apartments, Arlington, Va.	Federal Public Housing Authority, 1201 Connecticut Ave. NW.	\$6,440
Raschella, Dolores.....	3028 Wisconsin Ave. NW., Washington, D. C.	do.....	\$2,320

¹ Ramspeck, effective June 2, 1946.

CLAUDE PEPPER, Chairman.

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES — CIVILIAN EMPLOYMENT OF EXECUTIVE BRANCH

Mr. BYRD. Mr. President, according to monthly personnel reports submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures, there was a total of Federal employment amounting to 2,848,527 for the month of May. This total shows a decrease of 25,444 when compared to the April total of 2,873,971. However, if War and Navy Departments are excluded from the total and a comparison made there is an increase of 24,813. Thus for every one separated from those two Departments there is almost an equal number appointed in other departments.

Less than half of this increase—11,638—was in Veterans' Administration. Most of the remainder was made up of increases in Agriculture of 4,641, Interior 1,601, Post Office 2,581, OPA 1,070, and War Assets Administration 2,036.

There was a decrease in industrial—skilled, semiskilled, and unskilled—employment of 21,245. This is the difference between the April total of 1,090,229 and May total of 1,068,984. The decrease is composed of 8,111 in War Department, 11,552 in Navy, and 1,582, in all other departments.

Employment outside the continental United States based on the latest available figures for War and Navy Departments and current figures for other departments increased 8,564. The Navy Department increased 11,321 and all other departments except War increased 1,363, or a total of 12,684. This was offset, however, by a decrease in War Department of 4,120, making the net increase 8,564.

I ask unanimous consent to submit a report and request that it be printed in the RECORD.

There being no objection, the report was received and ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN THE EXECUTIVE BRANCH, MAY 1946, AND A COMPARISON WITH APRIL 1946

(All figures compiled from reports signed by the heads of Federal establishments or their authorized representatives)

According to monthly personnel reports submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures, Federal personnel within the continental United States during May decreased 34,008 from a total of 2,397,743 in April 1946 to 2,363,735 in May. Excluding the War and Navy Departments, personnel increased 23,450 from the April total of 1,208,330 to the May total of 1,231,780. The War Department inside the United States decreased 31,947 from the April figure of 715,971 to the May figure of 684,024. The Navy Department within the United States decreased 25,511 from the April figure of 473,442 to the May figure of 447,931. (See table I.)

Outside the continental United States Federal personnel increased 8,564 from the April total of 476,228 to the May total of 484,792. Exclusive of the War and Navy Departments, there was an increase of 1,363 from the April total of 53,649 to the May total of 55,012. The Navy Department showed an increase of 11,321 making the total increases 12,684. This figure was offset by a decrease of 4,120 in the War Department making a net increase of 8,564. (See table II.)

The consolidated table presenting data with respect to personnel inside and outside continental United States shows a total decrease of 25,444 from the April total of 2,873,971 to the May total of 2,848,527. Excluding the War and Navy Departments, there was an increase of 24,813 employees in the executive branch of the Federal Government from the April figure of 1,261,979 to the May figure of 1,286,792. (See table III.)

Industrial employment during the month of May decreased 21,245 from the April total of 1,090,229 to the May total of 1,068,984. The War Department decreased 4,465 employees outside continental United States and decreased 3,646 inside the United States in the industrial group making a total reduction of 8,111. The Navy Department showed a decrease of 11,552 industrial employees. The term "industrial employees" as used by the committee refers to unskilled, semiskilled, skilled, and supervisory employees paid by the Federal Government who are working on construction projects such as airfields and roads, and in munition plants, shipyards, and arsenals. It does not include regular maintenance and custodial employees. (See table IV.)

TABLE I.—Federal personnel inside continental United States employed by executive agencies during May 1946, and comparison with April

Department or agency	1946		Increase (+) or decrease (-)
	April	May	
Executive Office of the President; Bureau of the Budget.....	779	773	-6
Executive departments (except War and Navy Departments):			
Agriculture Department.....	86,295	90,864	+4,569
Commerce Department.....	33,512	33,542	+30
Interior Department.....	43,702	44,883	+1,181
Justice Department.....	24,530	23,974	-556
Labor Department.....	34,916	35,244	+328
Post Office Department.....	480,808	483,407	+2,604
State Department.....	8,268	8,264	-4
Treasury Department.....	108,642	107,856	-786
Emergency war agencies:			
Committee on Fair Employment Practice.....	26	10	-26
Office of Alien Property Custodian.....	661	684	+23
Office of Defense Transportation.....	120	99	-21
Office of Inter-American Affairs.....	381	344	-37
Office of Price Administration.....	32,844	33,910	+1,066
Office of Scientific Research and Development.....	715	639	-76
Office of War Mobilization and Reconstruction.....	192	183	-9
Petroleum Administration for War.....	54	20	-54
Selective Service System.....	14,890	14,506	-384
War Shipping Administration.....	3,243	3,181	-62
Postwar agencies:			
Civilian Production Administration.....	2,844	3,322	+478
National Wage Stabilization Board.....	944	961	+17
Office of Economic Stabilization.....	32	40	+8
War Assets Administration.....	30,391	32,410	+2,019
Independent agencies:			
American Battle Monuments Commission.....	2	2	-----
American Commission, Protection of Monuments in Europe.....	6	6	-----
Civil Aeronautics Board.....	402	399	-3
Civil Service Commission.....	4,321	4,229	-92
Employees' Compensation Commission.....	521	517	-4

¹ All employees were furloughed at the end of the last pay period for the month of April because of lack of funds.
² Included in the Interior Department report.

TABLE I.—Federal personnel inside continental United States employed by executive agencies during May 1946, and comparison with April—Continued

Department or agency	1946		Increase (+) or decrease (-)
	April	May	
Independent agencies—Con.			
Export-Import Bank of Washington.....	96	100	+4
Federal Communications Commission.....	1,290	1,288	-2
Federal Deposit Insurance Corporation.....	1,198	1,170	-28
Federal Power Commission.....	727	739	+12
Federal Security Agency.....	31,338	31,280	-58
Federal Trade Commission.....	504	501	-3
Federal Works Agency.....	22,042	22,501	+459
General Accounting Office.....	14,377	14,244	-133
Government Printing Office.....	7,301	7,259	-42
Interstate Commerce Commission.....	2,217	2,214	-3
Maritime Commission.....	9,527	9,896	+369
National Advisory Committee for Aeronautics.....	5,467	5,640	+173
National Archives.....	359	360	+1
National Capital Housing Authority.....	274	268	-6
National Capital Park and Planning Commission.....	15	15	-----
National Gallery of Art.....	288	299	+11
National Housing Agency.....	15,461	16,323	+862
National Labor Relations Board.....	973	1,001	+28
National Mediation Board.....	100	104	+4
Panama Canal.....	280	290	+10
Railroad Retirement Board.....	1,931	1,969	+38
Reconstruction Finance Corporation.....	11,632	11,678	+46
Securities and Exchange Commission.....	1,196	1,186	-10
Smithsonian Institution.....	427	426	-1
Tariff Commission.....	245	247	+2
Tax Court of the United States.....	120	121	+1
Tennessee Valley Authority.....	11,052	11,087	+35
Veterans' Administration.....	153,857	165,335	+11,478
Total, excluding War and Navy Departments.....	1,208,330	1,231,780	+23,450
Net increase, excluding War and Navy Departments.....			+23,450
Navy Department.....	473,442	447,931	-25,511
War Department.....	715,971	684,024	-31,947
Total, including War and Navy Departments.....	2,397,743	2,363,735	-34,008
Net decrease, including War and Navy Departments.....			-34,008

TABLE II.—Federal personnel outside continental United States employed by executive agencies during May 1946, and comparison with April

Department or agency	1946		Increase (+) or decrease (-)
	April	May	
Executive departments (except War and Navy Departments):			
Agriculture Department.....	1,337	1,409	+72
Commerce Department.....	2,243	2,318	+75
Interior Department.....	4,320	4,740	+420
Justice Department.....	312	314	+2
Labor Department.....	156	145	-11
Post Office Department.....	1,443	1,420	-23
State Department.....	11,345	11,938	+593
Treasury Department.....	661	699	+38

RETIREMENT OF CERTAIN OFFICERS AND EMPLOYEES
AFTER 25 YEARS OF SERVICE

JULY 10 (legislative day, JULY 5), 1946.—Ordered to be printed

Mr. DOWNEY, from the Committee on Civil Service, submitted the following

REPORT

[To accompany S. 2366]

The Committee on Civil Service, to whom was referred the bill (S. 2366) to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide annuities for employees with 25 years of service, who are involuntarily separated from the service between July 1, 1945, and June 30, 1947, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The purpose of this bill, as amended by the committee, is to provide a more liberal method for the computation of annuities under the Civil Service Retirement Act in the case of Government employees who are involuntarily separated from the service without fault on their part between July 1, 1945, and June 30, 1947, after having attained age 55 and having rendered at least 25 years of service.

During the period referred to in the preceding paragraph a large number of Government employees, with long periods of service have been or will be separated because of curtailment of Federal activities, due to the cessation of hostilities. Also many long-service employees are being displaced by returning veterans. The separation of these persons at this time will result in hardship since they are for the most part career employees who have relied upon the terms of the retirement law for security upon retirement from the service. Many of them will be unable to obtain other employment within the purview of the Retirement Act, and as a result their annuities, when they become payable, will be substantially reduced.

Under this bill, those employees who have completed 25 or more years of service and who have attained age 55, prior to separation, will, upon separation during this period, be permitted to receive annuities based upon computations more liberal than those provided under existing law.

As introduced, the bill would have permitted the immediate payment of annuities to employees covered by its terms regardless of age. The committee feel, however, in view of excessive costs which this feature would entail, that the present minimum retirement age of 55 should be preserved and recommend that the bill be amended accordingly.

The provisions of the bill are explained in further detail in the attached letter from the President of the Civil Service Commission.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., July 1, 1946.

HON. SHERIDAN DOWNEY,
Chairman, Committee on Civil Service,
United States Senate.

DEAR SENATOR DOWNEY: Reference is made to your communication of June 25, 1946, transmitting bill S. 2366 introduced by Senator Green to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide annuities for employees with 25 years of service who are involuntarily separated from the service between July 1, 1945, and June 30, 1947, and requesting the comments of the Commission thereon.

In view of the curtailment of Federal activities due to the cessation of hostilities, a number of Federal employees with long periods of service are being separated by reason of reduction in force. The Government is also faced with the problem of placing returning veterans in suitable positions.

Many of these employees who must be separated are located in establishments which are being entirely abolished or the complement of personnel drastically reduced. A number of them are at an age at which employment in private industry will be difficult and in some instances impossible of attainment.

Several bills have been introduced in this and previous Congresses providing for retirement on full annuity at the option of the employee after completion of 25 or 30 years of service without regard to attained age. It has been argued that the adoption of such legislation would aid in reduction of force programs and would make other positions available for the relief of unemployment. Such a provision would, it is believed, be quite costly and in many instances detrimental to the Government in that well-qualified and efficient employees might exercise such option without regard to the needs of the Government, particularly in agencies where no need for reduction in force exists.

Section 7 of the Civil Service Retirement Act provides for an annuity beginning at the age of 55 years in cases of persons involuntarily separated after at least 5 years of service. The rate of annuity, however, is quite small, and no income at all is provided for the years intervening between the date of separation and attainment of age 55. In the opinion of the Commission, the rate of annuity now available when applied to such persons with service of 25 years or more who can meet the age requirements is inadequate and a more liberal retirement should be afforded to such employees. These employees are generally career employees who have relied upon the terms of the retirement law for security upon retirement from the Government service. Any reduction in force should be effected with the least possible hardship to the employees involved.

It would, therefore, seem appropriate that an allowance should be provided for employees involuntarily separated after 25 or more years of service equal in value to that to which they would have been entitled were they of an age making them eligible for retirement at the time they suffered the loss of their position. This is believed particularly desirable as a temporary measure in view of the existing unsettled employment situation.

The proposal will grant to an employee involuntarily separated between July 1, 1945, and June 30, 1947, without fault on his part after 25 or more years of service an annuity having a lump sum value somewhat comparable to that to which he would have been entitled were he of an age making him eligible for optional retirement at the date of separation. Under existing law, optional retirement is permitted, without reduction in annuity at age 60 with 30 years of service, or at age 62 with 15 years of service. Under the proposal, if an employee at the date of involuntary separation was 50 years of age, he would be entitled to annuity equal to 80 percent of that to which he would have been entitled were he 60 years of age and had rendered 30 years of service, or 76 percent if he had rendered 25 or more but less than 30 years of service.

The Board of Actuaries has estimated that this proposal, if adopted, will cause a total additional cost to the Government of \$4,000 for each eligible individual who is involuntarily separated. There are about 105,000 employees who have completed at least 25 years' service, but who have not attained age 60 or 62 so as to make them eligible for optional retirement under the present law. It is believed that a maximum of 5 percent of this number will be involuntarily separated. On this basis, the total additional cost to the Government, if this proposal is approved, would be approximately \$20,000,000.

It is deemed appropriate to invite attention to the recent hearing held by the Retirement Subcommittee of the Civil Service Committee, House of Representatives, on the subject of this proposal. During the course of these hearings it was disclosed that many employees involved in reduction-in-force programs were obliged to accept positions with lower rates of pay in order to continue in an employment status. It is believed that these persons should be given consideration. S. 2366 would not apply to these individuals. This purpose may be accomplished by substituting the following for bill S. 2366:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding at the end thereof the following new subsection:

"(e) Any officer or employee to whom this Act applies who, after having rendered at least twenty-five years of service computed as prescribed in section 5 of this Act—

"(1) shall have been involuntarily separated from the service not by removal for cause on charges of misconduct or delinquency between August 14, 1945, and August 14, 1947; or

"(2) shall have been voluntarily separated from the service between such dates if such officer or employee had accepted a position with a lower rate of basic salary, pay, or compensation after having been involuntarily separated (not by removal for cause on charges of misconduct or delinquency) between such dates from a position with a higher rate of basic salary, pay, or compensation, and was receiving less than such higher rate at the time of his voluntary separation,

shall be paid an immediate life annuity beginning on the first day of the month following the date of final separation from the service or the first day of the month following the date of enactment of this subsection, whichever date is the later. Such annuity shall have a value equal to an annuity computed as provided in section 4 of this Act reduced by one-sixth of 1 per centum for each month (or fractional part thereof) any such officer or employee is (A) under the age of sixty years if he has rendered at least thirty years of service computed as prescribed in section 5 of this Act, or (B) under the age of sixty-two years if he has rendered less than thirty years of service computed as prescribed in section 5 of this Act.'"

Because of the necessity of immediate reply to your request the Commission has not been able to secure the advice of the Bureau of the Budget as to relationship of this bill to the program of the President.

By direction of the Commission.

Very sincerely yours,

HARRY B. MITCHELL, *President.*



Calendar No. 1712

79TH CONGRESS
2^D SESSION

S. 2366

[Report No. 1678]

IN THE SENATE OF THE UNITED STATES

JUNE 24 (legislative day, MARCH 5), 1946

Mr. GREEN introduced the following bill; which was read twice and referred to the Committee on Civil Service

JULY 10 (legislative day, JULY 5), 1946

Reported by Mr. DOWNEY, with an amendment

[Insert the part printed in italic]

A BILL

To amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide annuities for employees with twenty-five years of service, who are involuntarily separated from the service between July 1, 1945, and June 30, 1947.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 7 (a) of the Act of May 29, 1930, is amended
4 by adding at the end of the first proviso thereof the fol-
5 lowing: "*Provided further, That any officer or employee*
6 to whom this Act applies who shall have been or shall be
7 involuntarily separated from the service not by removal for
8 cause on charges of misconduct or delinquency, between
9 July 1, 1945, and June 30, 1947, both dates inclusive,

1 *after having attained the age of fifty-five and after having*
2 *completed at least twenty-five years of service computed*
3 *under the provisions of section 5 hereof, shall be paid an*
4 *annuity beginning on the first day of the month following*
5 *the date of separation from service computed as provided*
6 *in section 4 of this Act except that such annuity shall be*
7 *reduced by one-sixth of 1 per centum for each full month*
8 *of age under sixty-two years; but if such separated employee*
9 *shall have completed thirty or more years of such service*
10 *the annuity shall be reduced by one-sixth of 1 per centum*
11 *for each full month of age under sixty years."*

A BILL

To amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide annuities for employees with twenty-five years of service, who are involuntarily separated from the service between July 1, 1945, and June 30, 1947.

By Mr. GREEN

JUNE 24 (legislative day, March 5), 1946

Read twice and referred to the Committee on
Civil Service

JULY 10 (legislative day, July 5), 1946

Reported with an amendment

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued July 16, 1946
For actions of July 15, 1946
79th-2nd, No. 138

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HIGHLIGHTS: House passed Flannagan-Hope research-marketing bill. House committee reported bill to provide for 2 additional Assistant Secretaries of Agriculture. Both Houses agreed to conference report on bill to continue and ultimately liquidate rural-rehabilitation projects. House passed bill to authorize retirement of separated personnel with 25 years of service on reduced annuities. Senate approved reorganization plan 2 (Federal Security Agency), and disapproved plan 1 (research, credit union, and housing provisions). Senate agreed to conference report on Government corporations appropriation bill; receded from Senate amendment authorizing TVA fertilizer plant. President approved British-loan bill.

HOUSE

1. **RESEARCH; MARKETING.** Passed as reported H. R. 6932, the Flannagan-Hope bill to authorize additional appropriations for production and marketing research and marketing services (pp. 9148-59). For bill's provisions see Digests 102 and 128.
2. **ASSISTANT SECRETARIES OF AGRICULTURE.** The Agriculture Committee reported without amendment H. R. 5757, to provide for two additional Assistant Secretaries of Agriculture (H. Rept. 2521) (p. 9181). A companion bill has been reported by the Senate committee.
3. **CIVIL-SERVICE RETIREMENT.** Passed as reported H. R. 4718, to amend the Civil Service Retirement Act so as to permit personnel to retire on a reduced annuity if they are separated through no fault of their own after 25 or more years of service; provides that the pensions will be reduced 2% for each year an employee is under the optional retirement ages of 60 and 62 (pp. 9129, 9141-4).
4. **EFFICIENCY RATINGS.** Passed with amendments H. R. 5590, to provide for uniform administration of efficiency ratings (pp. 9146-7).
5. **RURAL-REHABILITATION PROJECTS.** Both Houses agreed to the conference report, on S. 704, to authorize this Department to continue the administration of and ultimately liquidate Federal rural-rehabilitation projects. This bill will now be sent to the President. (pp. 9106-7, 9129.)
6. **IOWA CENTENNIAL.** Several members discussed this subject, including speeches on agricultural development, etc. (pp. 9160-73).

7. BANKING AND CURRENCY. Conferees were appointed on H. R. 4590, to authorize the use by industry of silver held or owned by the U. S. (pp. 9128-30).
8. PRICE CONTROL. Received a Northampton, Mass., Council resolution favoring OPA continuation "without crippling amendments" (p. 9182).

SENATE

9. REORGANIZATION. Rejected, 37-40, S. Con. Res. 65, disapproving of Reorganization Plan No. 2 (pp. 9088-106). This plan includes Federal Security Agency provisions. Agreed, 45-31, to H. Con. Res. 155, disapproving of Reorganization Plan No. 1 (pp. 9107-20). This plan includes the research, credit union, and housing provisions.
10. GOVERNMENT CORPORATIONS APPROPRIATION BILL. Agreed to conference report on this bill, H.R. 6777 (pp. 9087-8). The Senate receded from its amendment authorizing a fertilizer plant near Mobile, Ala. Amendment No. 4 on public housing authority is still in disagreement.
11. THIRD DEFICIENCY APPROPRIATION BILL. Made this bill, H.R. 6885, the unfinished business for today (p. 9122).
12. LIVESTOCK AND MEAT; PRICES. Sen. Wherry, Nebr., discussed livestock and other commodity prices and inserted the American Meat Institute's reports on such prices (pp. 9124-5).
13. VETERANS; TERMINAL LEAVE. Received sundry telegrams and letters favoring H. R. 4051, to grant enlisted personnel certain benefits in lieu of accumulated leave (p. 9085).
14. PRICE CONTROL. Sen. Magnuson, Wash., criticized the price-control bill and inserted a Maritime Unity Committee resolution favoring increased wages if OPA is not reestablished (p. 9086).

BILLS INTRODUCED

15. FORESTRY FISCAL-OMNIBUS BILL. H.R. 7031 (see Digest 137) permits erection of Forest Service structures on non-Government land, permits open-market purchases by the Forest Service of forest-tree seed or cones or of forage plant seed when the amount is not over \$10,000, of forest-tree nursery stock when the amount is not over \$500, and of certain research materials with a \$50,000-a-year limit; authorizes Forest Service to contract for aerial facilities and services, with renewal provisions, in connection with forest management (presently authority is only for forest-fire protection); broadens the authority to permit performance of various kinds of work by the Forest Service, at the expense of interested parties, on national forest and related lands; broadens the Forest Service authority regarding deposits for brush and debris disposal; authorizes the Secretary to permit use of Forest Service structures, improvements, and related land by non-Government organizations and individuals for periods not over 30 years at rates determined by him; authorizes the furnishing of meals, lodging, etc., to persons attending Forest Service demonstrations and users of national forest resources and recreation facilities in certain situations; provides for selling at cost any available forest tree seed and nursery stock to any State or subdivision unable to procure or produce sufficient supplies; permits payment for telephones in residences of seasonal employees and cooperators when this is needed to protect the forests; authorizes reseeding of non-national forest land under certain conditions; permits certain Forest Service appropri-

allocated pursuant to law out of any existing appropriation for any of the purposes herein specified, then the amount herein authorized to be appropriated shall be reduced by the amount so allocated.

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$10,000,000 to be expended by the Commissioner of Public Roads, Federal Works Agency, for the necessary rehabilitation or repair of roads, highways, and bridges in the Territory of Hawaii, which he finds, after investigation, have been substantially damaged by the Army or the Navy, or both, or by any person or contractor employed by or contracting with the Army or Navy in the performance of contract work in connection with the prosecution of the war or national defense, and for the restoration or reconstruction of roads, highways, and bridges on the system of Federal-aid highways or the system of secondary Federal-aid highways which he finds, after investigation, have been damaged or destroyed by the recent seismic waves in the Territory of Hawaii: *Provided*, That in the case of war damage the Territory of Hawaii shall match the funds authorized to be appropriated by this section to the extent that may be required by the Commissioner of Public Roads, and that in all other cases the Territory shall make a contribution equal to that of the Federal Government: *Provided further*, That no part of the funds authorized to be appropriated by this section shall be expended for any abandoned railroad right-of-way or part thereof that may be used in the restoration or reconstruction of any such road, highway, or bridge, or for any construction features on any such abandoned railroad right-of-way that may be used for or be incorporated in such restoration or reconstruction work: *And provided further*, That the sum herein authorized to be appropriated by this section shall constitute full and complete provision for the relief of the Territory of Hawaii for all damages that may have been caused to roads, highways, and bridges therein by the Army or the Navy or their contractors in connection with prosecution of the war or the national defense or caused by the recent seismic waves and no further claims on account of damage from such causes shall be made by said Territory or its subdivisions.

SEC. 3. For the purpose of facilitating the rebuilding or repair of private homes, stores, or other structures damaged or destroyed by said seismic waves, the Secretary of the Interior (hereinafter called the "Secretary") is authorized to make loans to persons in the Territory of Hawaii in such amounts and upon such terms as the Secretary shall by regulation prescribe, including an agreement by the borrower to use the loan for the purpose herein prescribed; except that no such loan shall be made for a period of more than 20 years or in an amount in excess of \$25,000 to any one borrower. The rate of interest upon each such loan shall be 3 percent per annum, except that the Secretary may, in his discretion, defer the payment of interest upon any such loan for such a period not to exceed 3 years. All such loans shall be made, administered, and collected by the Secretary in such manner and through such agencies as he shall designate. For carrying out the purpose of this section there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000,000, to be immediately available, and remain available until expended, of which not to exceed \$25,000 shall be available annually for the payment of administrative expenses. All moneys received during a period of 5 years from the date of approval of this act as repayment of any loan or interest on any loan made under the provisions of this section shall constitute a revolving fund from which loans may be made for the purpose and upon the terms

herein provided, and all moneys received after said 5-year period as payments of interest and principal on loans made under this section shall be covered into the Treasury as miscellaneous receipts.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House Resolution 706 was laid on the table.

FEDERAL RURAL REHABILITATION PROJECTS

Mr. FLANNAGAN. Mr. Speaker, I call up the conference report on the bill (S. 704) to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 11, 1946.)

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. HAYS. Mr. Speaker, I am very grateful to the conference committee for this action regarding this bill which it was my privilege to introduce in the House. When the measure is put into effect it will establish immediately a preference for veterans of World War II in the purchase of rural rehabilitation lands being sold under the provisions of the Tarver amendment. The bill accomplishes two things: First, it reserves these lands for homesteads for veterans with a farm background; and, secondly, provides that the land will be sold to them at its earning capacity value and not at the present inflated market value. It will set the pattern for future sales of Government lands so that in the establishment of farm homesteads we avoid the great injustice of imposing a burdensome debt upon the veteran and causing him to lose his home through later foreclosure. It represents an important policy declaration against land speculation and offers the young farm veterans an assurance of home ownership under favorable conditions.

RETIREMENT OF GOVERNMENT OFFICERS AND EMPLOYEES

Mr. JOHN J. DELANEY, from the Committee on Rules, reported the following privileged resolution (H. Res. 709, Rept. No. 2520), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4718) to provide optional retirement for Government officers and employees who have rendered at least 25 years of service. That after general debate, which shall be confined to the bill and shall continue not

to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CORRECTION OF RECORD

Mr. McCORMACK. Mr. Speaker, on page 9059 of the RECORD for Saturday in the remarks that I made I note the following language: "approval of the agreement was in the national interest of our country and of all our civilizations." What I said was, "and of our civilization."

Mr. Speaker, I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Without objection; it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address made by Rear Admiral Davison yesterday on the occasion of the commissioning of the U. S. S. *Saipan*.

Mr. DIRKSEN asked and was given permission to extend his remarks in the RECORD and include a table from the hearings on the third deficiency appropriation bill showing price increases in the last 90 days.

Mr. BEALL asked and was given permission to extend his own remarks in the RECORD.

USE BY INDUSTRY OF SILVER HELD BY THE UNITED STATES

Mr. KEEFE. Mr. Speaker, when the request was made by the distinguished chairman of the Committee on Banking and Currency the gentleman from Kentucky [Mr. SPENCE] for unanimous consent to take the so-called silver bill from the Speaker's table for the appointment of conferees, the gentleman now addressing the Chair interposed an objection. Mr. Speaker, I desire to withdraw that objection at this time with the assurance that the conferees will bring that bill back to the House and that the gentleman from Wisconsin will have an opportunity at that time to express the convictions which I hold on that subject, having been one of the conferees on the Post Office and Treasury appropriation bill.

But I do this, Mr. Speaker, for the reason that unless that appropriation bill is passed and signed, the postal authorities and the Treasury Department will not have any money with which to pay their people.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4950) to authorize the use by industry of silver held or owned by the United States, with Senate amendments, disagree to the Senate amendments, and request a conference with the Senate and the appointment of conferees.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. WOLCOTT, and Mr. CRAWFORD.

COINAGE OF 50-CENT PIECES TO COMMEMORATE THE LIFE OF BOOKER T. WASHINGTON

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 704 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6528) to authorize the coinage of 50-cent pieces to commemorate the life and perpetuate the ideals and teachings of Booker T. Washington. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Coinage, Weights, and Measures, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

I yield myself 5 minutes.

Mr. Speaker, this is a bill to authorize the coinage of 50-cent pieces commemorating the birth of Booker T. Washington. The object of it is to enable the Booker T. Washington Birthplace Memorial Association to obtain funds for the erection of a memorial to him at his birthplace in Franklin County, Va.

It seems to me, Mr. Speaker, this is a very fine gesture for the Congress of the United States to make. Booker T. Washington was an outstanding American citizen and an outstanding representative of his race of people, an example that we should encourage his people to emulate. The fact is about the Negro, I believe everyone will agree, that they have made greater progress in civilization and in the ways of civilized people during their residence in this country than any other race of people ever in the history of the world. When we look back upon the fact that only 80 years ago they were in slavery and then we find today in this Nation such fine characters as Booker T. Washington, when we find the descendants of these people who were held in slavery, practicing the professions of medicine and law, prominent in

the fields of education and business; sitting in the Halls of Congress and the legislatures of the States, holding offices and places of responsibility in civilian life throughout this the greatest Nation in the world, I think that race of people is to be congratulated upon the progress which it has made.

We have in this country and in all countries of the world at this time, great distress and too much race prejudice. I think that merit is where you find it, and good citizenship is where you find it, whether it is Christian, Jew, or Negro. We have fine citizens in all our minorities in this Nation—citizens whose services we need and whose cooperation we need in this hour of the greatest trial of the civilization of the world.

It is a great mistake to criticize or persecute any minority race. Those who indulge in that nefarious practice sooner or later find retribution, and there is no more striking example of that retribution than what is now happening to the Nazis of Germany for their inhuman treatment of the Jewish race.

In the Negro race we have splendid citizens who ought to be encouraged, who ought to be educated, who ought to have their opportunity, their place in the sun in this Nation.

The Jewish people in this country, minority though they be, have furnished some of our finest citizens, some of our most useful patriots, many of them in large communities and in small communities, devoting their time and energy to the welfare of the Nation and the welfare of their communities. I believe gestures such as that contained in this bill to laud the progress of minorities in this Nation is one of the finest things this Congress can do, particularly in this time of great stress and trial.

Mr. HENRY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. HENRY. I wish to congratulate the distinguished gentleman from Virginia for the fine statement he has made with reference to the Negro race, and to ask him this question: Is it not true that the profits from the sale of this memorial coin will be used to further the education of the Negro race?

Mr. SMITH of Virginia. I so understand it; yes.

(Mr. SMITH of Virginia asked and was given permission to revise and extend his remarks.)

Mr. MICHENER. Mr. Speaker, there is no opposition to this bill or this rule, so far as I know.

I yield to the gentleman from Kansas [Mr. CARLSON] such time as he may desire.

The SPEAKER pro tempore (Mr. GORE). The gentleman from Kansas is recognized.

Mr. CARLSON. Mr. Speaker, I think it is most fitting that Congress should authorize the coinage of 50-cent pieces to commemorate the life and perpetuate the ideals and teachings of Booker T. Washington.

This God-fearing colored man endeavored through his example and teachings to uplift the members of his race and fit them for the social and in-

dustrial conditions in which they must live. His life was devoted to an educational program that would make the Negro an intelligent, God-fearing, and industrious citizen.

During the past few decades great progress has been made in this regard. Bigotry and intolerance, which have been a blight on our Nation, are gradually being removed.

I want to urge immediate approval of this resolution.

(Mr. CARLSON asked and was given permission to revise and extend his remarks.)

Mr. MICHENER. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Speaker, we have before us a resolution to strike a new silver coin of 50-cent value upon which shall appear the likeness of Booker T. Washington. As a member of the board of the Tuskegee Institute which was started by him and is being continued in his name, I am particularly happy that such action is to be taken by this House.

Booker T. Washington's life was one of dramatic demonstration of what can happen in this great Nation of ours. Son of a slave, he became one of the most respected of our citizens, holding a position of importance in the educational world.

One of his greatest contributions not only to the Negro but to the life of America as a whole was his unshakable belief in the dignity of work, the beauty of hand labor. He believed that self-respect is necessary to every man and he set about building an institution which should give to the sons and daughters of slaves opportunity to prove themselves in many fields.

The simple directness of his approach to life and living gave him the strength with which to attain the unattainable. Tuskegee Institute today radiates the fine, strong sanity of its founder. The Negro youth that passes through its indoor and outdoor classrooms feels the spirit of him even to this day. We who serve upon the board of trustees are stimulated and inspired by the life of courage, determination, and vision that he lived. It is therefore with sincere pleasure that I join with the other Members of this body in unanimous agreement to have the new silver 50-cent coin bear the likeness of this respected and honored citizen of these United States, Booker T. Washington.

(Mrs. BOLTON asked and was given permission to revise and extend her remarks.)

Mr. MICHENER. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. DONDERO].

(Mr. DONDERO asked and was given permission to revise and extend his remarks.)

Mr. DONDERO. Mr. Speaker, it is with a great deal of pleasure that I rise in support of this bill to honor the memory of Booker T. Washington. I commend the gentleman from Virginia [Mr. SMITH] for everything he said regarding him and reiterate and echo the same sentiments.

It was my privilege to know Booker T. Washington. He came on a number of

that will disseminate information to the various States and to communities and to nonpolitical organizations with respect to venereal diseases as they affect juvenile delinquency, we may properly expect that there will be another program urged by which we may set up a bureau to disseminate information to the various States of the Union as to the terrors of alcoholism, and another bureau set up to disseminate information as to the contribution that gambling is making to the curse of juvenile delinquency.

Now, as a matter of fact, it seems to me that the argument which was made by the distinguished gentleman from Pennsylvania [Mr. WALTER] is an anomalous one, because this Congress is appropriating millions of dollars to the United States Public Health Service now. For what purpose? To make all of the research into this field that is possible, and to disseminate that information to the States. Not only that, but to appropriate money in the form of grants to all of the State public-health services so they may carry out under State auspices the recommendations of the United States Public Health Service.

Here we have an agency that is proposed to be set up. For what? Are they going to duplicate the work of the United States Public Health Service? I know what the evidence showed before the subcommittee on which I have the honor of serving, the subcommittee that has appropriated the money heretofore that this agency has spent. I know what that evidence showed. I know that representatives of the social protection bureau go to places hundreds of miles removed from any military establishment, and actually make secret investigations. Later they may talk to enforcement authorities or to civic clubs, and so forth. Generally, they discover nothing that is not known to local authority. I agree it is stimulating to have the information. After all, however, it is a problem for the State and local authorities. Local public opinion will force action and if it does not then the agents of the bureau from Washington, who have no authority, will not force authorities to act. That is a local problem. Any time the sheriff of any county wants to take action he is armed with State law that will not only permit the arrest of anybody engaging in prostitution and send them to jail for a year, but he can padlock the building in which they operated. I did both those things when I had the honor of being prosecuting attorney in my county; and every man in the House who comes from the States of this union knows that that is a local problem. I had no trouble in closing such places. We are not going to go out to the State of Nevada and tell the people of Nevada that they are wrong in legalizing gambling. Are you going out to Illinois and tell the people of Illinois that they are contributing to juvenile delinquency by permitting gambling on horse races when my State does not permit gambling of that character?

Where is this thing going to end? We established it as a war measure. If you authorize it now you are setting up a permanent agency of Government and

taking a step in the direction that the distinguished gentleman from Texas abhors. This is a chance to prove by your vote that you intend to practice economy in the affairs of Government.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mrs. BOLTON. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, the distinguished gentleman from Wisconsin [Mr. KEEFE] insists in no uncertain terms that the war is over. May I remind the gentleman that we have voted on no motion in this House nor has any declaration been made by the President of the United States indicating that the war emergency is over.

My interest in these influences to which our youth and our adult population as well is subjected is not new. When I was a young woman I worked as a volunteer with the Visiting Nurses of Cleveland, I came in direct contact and had to cope with the results of prostitution, brothels, and "houses" of all kinds. During the intervening years my interest in youth has kept me in very close contact with these tragic matters. I have watched the industry flourish and grow in strength with a sad heart. I have watched the youth of this country exposed to an increasing amount of this form of temptation with growing anxiety.

This is a vital moment. Organized vice of every sort awaits the signal at the crossroads. Is it to be the green light or the stop signal?

Objection has been made to the measure on the basis that it fastens upon the States additional Federal controls. May I say to those who hold this view that it is this immediate moment that is of such vital importance, that will hold the line against the reopening of these centers of vice. Failure to act will be interpreted as giving congressional sanction to "open cities."

This body will be doing itself and the people that it represents an incalculable wrong if it agrees to this preferential motion. It is inconceivable to me that men should not see clearly the point that is involved. I am astonished and very much disheartened, Mr. Chairman, because the bill is designed to protect the youth of this country and this youth is the riches of our country, it is our future, and this House should stand foursquare to continue this small, but vitally important, assistance to the States during this period of confusion and reorganization in which we now are, before all the difficult results of war begin to make themselves felt. Are we not going to continue to give protection to our young, to the decencies of living in the confusions of readjustment?

Mr. Chairman, the pending preferential motion should be voted down.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Wisconsin [Mr. KEEFE].

The question was taken; and on a division (demanded by Mrs. BOLTON) there were—ayes 62, noes 41.

Mr. WALTER. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WALTER and Mr. KEEFE.

The Committee again divided; and the tellers reported that there were—ayes 67, noes 53.

So the motion was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BONNER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5234) to authorize the Federal Security Administrator to assist the States in matters relating to social protection, and for other purposes, had directed him to report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. WALTER. Mr. Speaker, I move the previous question.

The previous question was ordered.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of this bill be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RETIREMENT OF GOVERNMENT OFFICERS AND EMPLOYEES

Mr. JOHN J. DELANEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 709.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4718) to provide optional retirement for Government officers and employees who have rendered at least 25 years of service. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JOHN J. DELANEY. Mr. Speaker, I yield one-half of the time to the gentleman from Michigan [Mr. MICHENER].

Mr. Speaker, the purpose of this bill is to provide relief for those men who have been 25 years or more in the navy yards and arsenals around the country and who have been disassociated from the Government service. These men have rendered valued service to the Government in the production of torpedoes and ammunition. They are men 55 or 60 years old. They cannot secure employment in

private concerns because these concerns are not producing war material. There is not much more to explain about the resolution.

Mr. JOHNSON of California. Mr. Speaker, will the gentleman yield?

Mr. JOHN J. DELANEY. I yield to the gentleman from California.

Mr. JOHNSON of California. How does this bill change the existing condition of the navy yard men?

Mr. JOHN J. DELANEY. That will be brought out in general debate after the rule is adopted.

Mr. SASSCER. Mr. Speaker, will the gentleman yield?

Mr. JOHN J. DELANEY. I yield to the gentleman from Maryland.

Mr. SASSCER. Does this apply to only one navy yard or to all navy yards?

Mr. JOHN J. DELANEY. All navy yards. We cannot single out one particular navy yard and apply this law to it. The law must be general in scope.

Mr. Speaker, I yield such time as he may desire to the gentleman from Virginia [Mr. SMITH].

[Mr. SMITH of Virginia addressed the House. His remarks will appear hereafter in the Appendix.]

(Mr. SMITH of Virginia asked and was given permission to revise and extend his remarks.)

Mr. JOHN J. DELANEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Maryland [Mr. SASSCER].

[Mr. SASSCER addressed the House. His remarks will appear hereafter in the Appendix.]

(Mr. SASSCER asked and was given permission to revise and extend his remarks.)

Mr. JOHN J. DELANEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Maryland [Mr. D'ALESSANDRO].

Mr. D'ALESSANDRO. Mr. Speaker, on June 18, 1946, the Maryland Senators and Congressmen were petitioned to secure more work and a more stabilized work program for the navy yard employees. This bill, if enacted into law, will go a long way to aid the unfortunate individuals and their dependents who have or will be separated. In order to reduce the hardships and suffering during any transition period to an absolute minimum, remedial legislation is an absolute necessity, therefore the bill we are now discussing is of paramount importance and I urge the House for its immediate adoption.

(Mr. D'ALESSANDRO asked and was given permission to revise and extend his remarks.)

Mr. MICHENER. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this morning.

The SPEAKER pro tempore (Mr. GORE). Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MICHENER. Mr. Speaker, I have no requests for time on this side. There-

fore, I hope that we may proceed in the Committee to discuss the bill.

Mr. JOHN J. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent that the bill (H. R. 4718) to provide optional retirement for Government officers and employees who have rendered at least 25 years of service, may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. GORE). Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, is hereby amended by inserting after the first paragraph of subsection (d) a new subsection as follows:

"(c) Any officer or employee of the United States to whom this act applies who shall have been voluntarily or involuntarily separated from the service between August 14, 1945, and August 14, 1947, after having rendered at least 25 years of service computed under the provisions of section 5 hereof, shall be paid an annuity computed as provided in section 4 of this act."

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding at the end thereof the following new subsection:

"(e) Any officer or employee to whom this act applies who, after having rendered at least 25 years of service computed as prescribed in section 5 of this act,

"(1) shall have been involuntarily separated from the service not by removal for cause on charges of misconduct or delinquency between August 14, 1945, and August 14, 1947; or

"(2) shall have been voluntarily separated from the service between such dates if such officer or employee had accepted a position with a lower rate of basic salary, pay, or compensation after having been involuntarily separated (not by removal for cause on charges of misconduct or delinquency) between such dates from a position with a higher rate of basic salary, pay, or compensation, and was receiving less than such higher rate at the time of his voluntary separation.

shall be paid an immediate life annuity beginning on the first day of the month following the date of final separation from the service or the first day of the month following the date of enactment of this subsection, whichever date is the later. Such annuity shall have a value equal to an annuity computed as provided in section 4 of this act reduced by one-sixth of 1 percent for each month (or fractional part thereof) any such officer or employee is (A) under the age of 60 years if he has rendered at least 30 years of service computed as prescribed in section 5 of this act, or (B) under the age of 62 years if he has rendered less than 30 years of service computed as prescribed in section 5 of this act."

Mr. RANDOLPH. Mr. Speaker, this legislation is reported unanimously from the Committee on the Civil Service. The gentleman from Kansas [Mr. REES] and perhaps other members on both the mi-

nority and majority sides of the committee may desire to be heard. I have no wish to go into an explanation of the measure. In view of the fact that our very distinguished colleague the gentleman from Rhode Island [Mr. FORAND] is on the floor and this being the bill that he has introduced and sponsored in cooperation with other Members, I am sure he is going to seek time. Therefore, Mr. Speaker, with the thought expressed on my part that the measure is meritorious and that this optional retirement bill which is presented does have merit, I yield back the balance of my time.

Mr. FORAND. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I do not believe there is any opposition to this bill. In fact, I know there is no opposition to it. The bill has merit for the reason that as a result of cut-backs following the war many long-term employees of the Government have been displaced and have been separated involuntarily. The bill is a very short one. The amendment offered by the Committee on the Civil Service is a minor one. It changes slightly the bill as introduced. The bill makes eligible for immediate retirement those employees of the Government who have served at least 25 years in the civil service and through no fault of their own have been separated involuntarily or will be separated between the dates of August 14, 1945, and August 14, 1947, which we considered to be the readjustment period. The Civil Service Commission suggested that the clause be put into the amendment providing that those employees who have been involuntarily separated must be employees who have not been removed for cause or because of charges of misconduct or delinquency. It is a very, very meritorious bill to take care of a certain group of people who have been displaced not only by reason of the cut-backs but as a result of the law which all of us voted to give priority of employment to our veterans upon their return home. As a part of this amendment there is a proviso whereby employees who take their annuity before the normal age for retirement will have deducted from that annuity 2 percent per annum for each year they lack of the age required for retirement under existing law. That in a nutshell, Mr. Speaker, is the bill, and I will now be very happy to answer any questions that anyone may care to ask.

Mr. SHEPPARD. Mr. Speaker, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from California.

Mr. SHEPPARD. I want to pay my compliments to the gentleman for his interest in these displaced governmental personnel, to which this bill refers. I would like to ask him what particular difference of treatment, insofar as retirement compensation participation is concerned, does it give to these people as compared with the over-all retirement of civil-service employees.

Mr. FORAND. I do not quite understand the gentleman's question.

Mr. SHEPPARD. How much differential is this particular group granted un-

der this bill than is enjoyed by others of like character?

Mr. FORAND. According to the actuaries of the Civil Service Commission, it will mean about \$4,000 per employee over the period of time he will be drawing his annuity.

Mr. SHEPPARD. I thank the gentleman. It is very worth-while legislation and I hope it will be passed.

Mr. FORAND. I thank the gentleman for his interest.

Mr. JOHNSON of California. Mr. Speaker, will the gentleman yield?

Mr. FORAND. I yield.

Mr. JOHNSON of California. I have a large navy yard in my district, and I am very much interested in knowing something about the specific provisions of the bill.

Suppose a man has served for 25 years. That is less than the normal retirement period, is it not?

Mr. FORAND. Yes. Normally he would have to serve 30 years and be 60 years of age, or have reached the age of 62 and have served 15 years before he becomes eligible.

Mr. JOHNSON of California. A man who is 50 years old and had served 25 years, what ratio would he get as compared with having served 30 years?

Mr. FORAND. He would get 80 percent of his retirement annuity.

Mr. JOHNSON of California. Does it work in a similar ratio as a man's age steps up, or does he get a larger proportion?

Mr. FORAND. No. If he serves 25 years and is 55 years old, under the present law he would have 5 years yet to go. There is 2-percent deduction in his annuity for each of those 5 years. That means he would get 90 percent of his annuity.

Mr. JOHNSON of California. I appreciate the gentleman's information.

Mr. JACKSON. Mr. Speaker, will the gentleman yield?

Mr. FORAND. I yield.

Mr. JACKSON. Is the proposed legislation limited to navy-yard workers?

Mr. FORAND. No. It applies to any Federal employee, but in practice it would apply to these people mostly who were in the service of the Army and the Navy, in the arsenals, the shipyards, torpedo stations, ammunition plants, ordnance plants, and the like.

Mr. JACKSON. I understand, but it is uniform in its treatment?

Mr. FORAND. Oh, yes; it applies to anybody in the Government.

Mr. Speaker, so that the membership of this House may have an opportunity to realize the type of cases that will be affected by this legislation I include the following excerpts which were taken from the hearings held by the House Committee on Civil Service. There are many more cases that I could cite that I consider equally deserving but I believe that these four will give the House membership a pretty good picture of the injustice that has been visited upon these faithful, long-time-service employees of the Government.

STATEMENT OF RAYMOND M. LEARY, NEWPORT, R. I.

Mr. LEARY. Mr. Chairman and gentleman of the committee, I am Raymond M. Leary, of 73 Roseneath Avenue, Newport, R. I.

On October 27, 1906, I started employment at the naval torpedo station, Newport, R. I., March 1, 1946, I was separated due to the curtailment of naval activities.

During that long period time—39 years and 4 months—I worked up through the various grades to the rating of shop planner.

On September 24, 1945, I was disrated from shop planner to first-class machinist due to the reduction in force.

On March 1, 1946, I was separated as a first-class machinist. I was then offered the position of general helper which I found it necessary to accept at a reduction of 25 percent.

Many of the skilled help that have been separated have taken jobs at a reduced rating, only to find that in most cases they are of a temporary nature, and in a short time find themselves separated again.

My age is 54, and under the present civil-service laws I am too young for a pension, but too old to get a job elsewhere.

During my long period of service, close to 40 years, I have had no delinquency, have taken no sick leave, and my last efficiency mark was excellent.

In view of the foregoing I feel that the treatment afforded me, and many other old-time employees of the Navy Department, is pretty shabby and all due to a law that was fitting in 1906 but certainly should be changed in 1946.

I earnestly request that you give H. R. 3718 your serious consideration, for if this bill were to be enacted into law it would tend to alleviate a sad situation that many old-time civil-service employees now find themselves in through no fault of their own.

STATEMENT OF JOSEPH A. SULLIVAN, FORMER QUARTERMAN ORDNANCEMAN, PORTSMOUTH, R. I.

Mr. SULLIVAN. Mr. Chairman and members of the Civil Service Committee, I am Joseph A. Sullivan, former quarterman ordnanceman, of Brownell Lane, Portsmouth, R. I. I wish to submit a brief statement in regard to my status as a Government employee.

From May 1917 until May 1946, I was employed at the Naval Torpedo Station, Newport, R. I. I entered the Government service at the age of 18 years and up to the time of my separation I worked up from ordnanceman to quarterman ordnanceman.

For the last 10 years I was a supervisor on all kinds of explosives for the Navy Department, also in the manufacturing, storing, and shipping of same.

For 2½ years as quarterman ordnanceman I had complete charge of the explosives division during night shifts, having charge of 200 employees and supervisors.

In order to hold employment I was one of those forced to accept a demotion on January 2, 1946. This work was cleaning up and handling of heavy machinery.

On January 26, 1918, I was seriously injured in the explosion at the torpedo station in which 13 persons were killed. While confined to the naval hospital, Captain Beach, who was captain of the station at that time, with the Assistant Secretary of the Navy, visited me and assured me that I would always be taken care of.

Since my demotion I have tried to obtain employment elsewhere but not at the age of 47. I have not been successful.

Through no fault of my own, after 29 years of faithful and conscientious service to the United States Navy I am now separated from the United States Government service as of May 10, 1946.

I am asking you, gentlemen, to help me and others in my status by your support of legislation for full retirement after our long years of faithful and conscientious service.

Mr. MILLER. Were you offered employment at Forest Park, Ill.

Mr. SULLIVAN. No, sir; we were all called down and they were to select one man and they never did. That was at reduced rating, too.

Mr. MILLER. Are there any further questions?

Mr. REES. How many were employed in this particular work in which you were engaged at the Newport plant?

Mr. SULLIVAN. Five hundred; and we did have 1,000 at the height of the war.

Mr. REES. I have no further questions.

Mr. MILLER. How many people did you say were killed in that explosion?

Mr. SULLIVAN. Thirteen were killed. I might say I have been disabled all my life, but not enough to collect disability.

I think we ought to support the Forand bill, as there are many cases like this.

Mr. MILLER. Thank you, Mr. Sullivan.

STATEMENT OF WILLIAM PREECE, NEWPORT, R. I., NAVAL TORPEDO STATION

Mr. PREECE. Mr. Chairman and gentlemen of the committee, I am William Preece, of the Newport (R. I.) Naval Torpedo Station. At the present time I have 30 years and 4 months service in the naval torpedo station. I went there as a boy, like some of my colleagues, and we started to learn the explosive trade. That is the only trade we know. Now we are around 48, 49, 50, 51, and 52 years of age, and all under 55. We reached the grade of quarterman, and we all have had about 300 employees under our jurisdiction. We went there before the First World War, and have worked all through the Second World War. Then we have been demoted to first-class ordnance men. We held that rate for about 3 months and then were demoted to general helper and we held that rate for about 4 months; and then they gave us our notices of separation for the third time on May 10, in the explosives division. I find that we have about 15 supervisors, and they all range from 25 years to about 35 years; and of that group there is no possibility of anyone retiring.

We do not know any other work; the only work we know is explosive work. I have made three trips down to Washington with the postwar commission and took our case before the Navy Department, Secretary Forrestal, Admiral Halsey, and saw his aides, and they say they are sorry and that there is nothing they can do that they are closing down the torpedo station. They tell us they appreciate our skill, and they say there is nothing they can see in the future for us, but they were heartily in accord with a liberalization of the pension laws to take care of us in our old age. Secretary Forrestal stated that on September 24, 1945.

I was down here again last week before the Appropriations Committee and Admiral Clapp informed the Appropriations Committee that there was a bill in Congress to take care of these men, meaning the Forand bill.

So, in closing, gentlemen, I not only include myself but the group from Newport with me, and I just want to go on record to say we favor the Forand bill.

Thank you, very much.

STATEMENT OF PETER F. SULLIVAN, FORMER QUARTERMAN ORDNANCEMAN, NEWPORT, R. I.

Mr. SULLIVAN. I am Peter F. Sullivan, former quarterman ordnanceman, 4 Bliss Road, Newport, R. I. I wish to submit a brief statement in regard to my status as a Government employee.

On April 5, 1911, at the age of 17, I received employment at the naval torpedo station, Newport, R. I. My employment was as ordnanceman on all types of explosives work for the United States Navy. I was promoted to the position of quarterman ordnanceman with the responsibility of a force of 150 employees.

On December 29, 1945, in order to hold employment, I was forced to accept a demotion as a general helper, my duties being sweeping floors and other menial jobs. On May 10, 1946, after 35 years and 1 month service with the United States Government, and at the

age of 53, I was separated for the second time.

Having been separated from my employment through no fault of my own, I appeal to you, gentlemen, to help others as well as myself by your support of legislation for full retirement, after our long years of faithful service.

Mr. MILLER. Thank you for your statement.

The SPEAKER pro tempore. The time of the gentleman from Rhode Island has expired.

(Mr. FORAND asked and was given permission to extend his remarks and include certain excerpts from the hearings.)

Mr. CLASON. Mr. Speaker, I move to strike out the last three words.

Mr. Speaker, if the time of the gentleman from Rhode Island [Mr. FORAND] had not expired, I had intended to take time to congratulate him for the fine work he has done in behalf of thousands of men who have been employees of the United States Government over a period of many years and who would undoubtedly have gone forward for 30 years of employment in the arsenals, armories, and navy yards in the country if it had not been for the war. As a result of the great production during the war period, their jobs ran out, which ordinarily would have continued. As a result, many thousands of them found themselves, late in life, out of a job. In my own city of Springfield, Mass., the armory which is famous for the manufacture of Garand rifles went down from 13,000 to 2,400 in employment. Strangely enough, a great many of those who lost their jobs were the senior employees.

I therefore feel that this is good legislation, and I only wish that thousands of others who have served the Government as well as they have served it could have been given an opportunity to come in under this bill.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. REES of Kansas. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, I think the House should be advised that this is new legislation. It is the first legislation we have had come before us under which civil service employees may retire for a shorter period of service than heretofore established.

This is temporary legislation designed to take care of a few special groups. I do not want it misunderstood in the belief that it is general legislation. We do have an extremely acute situation in the navy yards. We are trying to take care of a large group of navy employees who have been employed for a good many years but who through no fault of their own are now being taken out of service and are unable to get any other kind of work because most of them are trained specialists for a particular kind of work in these torpedo plants or whatever it may be. So I think under the circumstances the legislation is fair. It is equitable. We ought to pass it. I do want to say, however, that the question of optional retirement is one that is bound to receive the consideration of the Civil

Service Committee and of the House probably in the near future. When the times comes to consider permanent legislation we should give the whole subject matter careful consideration dealing with people who want to retire before the period of 30 years' service, as provided under present law.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from South Dakota, who has taken an active interest in this matter.

Mr. MUNDT. I want to say to the gentleman that the Civil Service Committee expects to take up the consideration of permanent general legislation on optional retirement in the near future. I introduced a bill some time ago to bring that about. It seems to me it has considerable merit, especially as we work toward the time when there may be more unemployment. Many of the GI's of this war would like to affiliate with the Government service. Many of the present employees would be happy to vacate their positions if optional retirement were made available to them.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished gentlewoman from Massachusetts, a former ranking minority member of our Civil Service Committee.

Mrs. ROGERS of Massachusetts. There are many workers in the Boston Navy Yard who have had to leave their work, also many workers have lost their jobs in the Watertown Arsenal, which is located in my district.

I heartily favor this legislation and congratulate the gentleman from Rhode Island [Mr. FORAND], the gentleman from Kansas [Mr. REES], and the gentleman from West Virginia [Mr. RANDOLPH], for bringing this bill out. It is an extremely worthy measure and I am sure it will go through unanimously.

I am glad to learn there will be further legislation of a permanent nature to allow other Federal employees to retire after shorter service.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from West Virginia, the chairman of the Civil Service Committee.

Mr. RANDOLPH. I desire to reinforce for the information of our colleagues the statement made properly by the gentleman from Kansas [Mr. REES] and also to direct the attention of the gentleman from South Dakota to my observation that we do hope within a reasonable period of time to make a very thorough study of the retirement picture as it applies to Federal employees, and also to the other matter of cut-backs in employment to which the gentleman from South Dakota has directed our attention.

Mr. REES of Kansas. We are hopeful that in the near future permanent legislation will be submitted for consideration and action in this House on this matter.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield further?

Mr. REES of Kansas. I shall be glad to yield again.

Mrs. ROGERS of Massachusetts. In Massachusetts, Mr. Speaker, I believe there have been more cut-backs—in fact, all through New England—in arsenals and navy yards, than any other section of the country. For this reason we are particularly interested in this legislation.

The SPEAKER pro tempore. The time of the gentleman from Kansas has expired.

By unanimous consent, the pro forma amendments were withdrawn.

The committee amendment was agreed to.

Mr. RANDOLPH. Mr. Speaker, I move the previous question on the bill to final message.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

The title was amended so as to read: "A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least 25 years of service."

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. JENNINGS asked and was given permission to extend his remarks in the Record and include a newspaper article and two editorials.

Mr. JENNINGS asked and was given permission to extend his remarks in the Record and include two newspaper articles.

Mr. ELSTON asked and was given permission to extend his remarks in the Record and include an editorial from the Cincinnati Enquirer under date of July 13, 1946.

NATIONAL AIR MUSEUM

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 5144) to establish a National Air Museum, and for other purposes and, may I say, Mr. Speaker, if this request is granted I have an amendment which the author of the bill and the members of the committee have no objection to. I shall offer this amendment if my unanimous consent request is granted. I may say too that it is a joint amendment of the gentleman from Massachusetts [Mr. MARTIN] and myself, providing that within the National Air Museum the Smithsonian Institution may receive as a gift a statue of Brig. Gen. William L. Mitchell, which shall be placed in the Air Museum. I want to advise the House that if it agrees to this unanimous consent request I shall offer the amendment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I shall not, I am heartily in favor of the resolution itself and also the amendment which will be offered by the gentleman from Massachusetts. If any one man ever blazed the trail for America reaching the high point that it did in aviation it is the late Billy Mitchell and this tribute is well deserved.

CONSIDERATION OF H. R. 4718

JULY 15, 1946.—Referred to the House Calendar and ordered to be printed

Mr. JOHN J. DELANEY, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 709]

The Committee on Rules, having had under consideration House Resolution 709, report the same to the House with the recommendation that the resolution do pass.



House Calendar No. 454

79TH CONGRESS
2^D SESSION

H. RES. 709

[Report No. 2520]

IN THE HOUSE OF REPRESENTATIVES

JULY 15, 1946

Mr. JOHN J. DELANEY, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the Union
4 for the consideration of the bill (H. R. 4718) to provide
5 optional retirement for Government officers and employees
6 who have rendered at least twenty-five years of service.
7 That after general debate, which shall be confined to the bill
8 and shall continue not to exceed one hour to be equally
9 divided and controlled by the chairman and the ranking
10 minority member of the Committee on the Civil Service, the
11 bill shall be read for amendment under the five-minute rule.
12 At the conclusion of the reading of the bill for amendment,

79TH CONGRESS
2^D SESSION

H. RES. 709

[Report No. 2520]

RESOLUTION

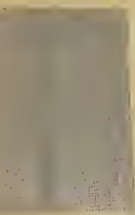
Providing for the consideration of H. R. 4718,
a bill to provide optional retirement for Gov-
ernment officers and employees who have
rendered at least twenty-five years of serv-
ice.

By Mr. JOHN J. DELANEY

JULY 15, 1946

Referred to the House Calendar and ordered to be
printed

1 the Committee shall rise and report the same to the House
2 with such amendments as may have been adopted and the
3 previous question shall be considered as ordered on the bill
4 and amendments thereto to final passage without intervening
5 motion except one motion to recommit.



provide for civil service ratings for employees of public or private organizations which become a part of the Federal Government (p. 9307).

Passed without amendment H.R. 4651, to amend the Civil Service Retirement Act so as to provide annuities for a recovered disability annuitant who through no fault of his own fails to obtain reemployment (p. 9307). This bill will now be sent to the President.

Passed with amendment H.R. 4718, to provide optional retirement for Government officers and employees with 25 years of service, who are involuntarily separated from the service Between July 1, 1945, and June 30, 1947 (p. 9327-8). Sens. Downey, George, Byrd, Langer, and Hart were appointed conferees (p. 9328).

Passed without amendment H.R. 5831, to include the heads of executive departments and agencies within the purview of the Civil Service Retirement Act (p. 9329). This bill will now be sent to the President.

Passed without amendment H.R. 6673, to amend the Civil Service Retirement Act so as to prohibit a Federal employee from receiving, simultaneously, an annuity under the Act and compensation for injury or disability under the Employees Compensation Act (p. 9329). This bill will now be sent to the President.

Passed without amendment H.R. 6903, to provide an adjustment for the within-grade promotions for veterans, on probationary appointments prior to entry into the service, in cases where, because of military service, they were unable to accept appointment when their names were first reached on the register (p. 9329). This bill will now be sent to the President.

Passed as reported H.R. 6532, to permit department and agency heads to designate disbursing officers to make payments of claims directly to Government employees and former employees for the difference between amounts for overtime, leave, and holiday compensation computed at night rates pursuant to Comptroller General decisions (p. 9320). This bill applies only to those employees in the several trades and occupations whose compensation is fixed by wage boards or other wage-fixing authorities and who received a differential for work performed at night.

Passed with amendment H.R. 5590, to provide for the uniform administration of efficiency ratings (pp. 9326-7).

Set aside, on request of Sen. Ball, Minn., the passage of S. 2183, to authorize heads of executive departments and agencies to grant scientific, technical, and professional employees leaves of absence for advanced research and study (pp. 9328-9).

Passed as reported S. 1561, to make effective as of Jan. 1, 1942, the 100% earning provisions of the act which entitles employees of contractors with the U.S. outside the U.S. to compensation for injury, death, or detention (pp. 9308-9).

Passed over on objection of Sen. Ball, Minn., H.R. 4051, to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave (pp. 9332-3).

Began debate on S. J. Res. 61, to amend the constitution so as to provide for equal rights for women (pp. 9345-6, 9349-55).

Discussed and

1. ASSISTANT SECRETARIES OF AGRICULTURE. /passed over on objection of Sen. Wherry, Nebr., S. 1923, to provide for two additional Assistant Secretaries of Agriculture (p. 9317).

2. PRICE CONTROL. Sen. Wherry, Nebr., discussed conditions in the livestock markets since the removal of price controls, claiming that receipts are greater than for the comparable period last year, and that prices, considering the removal of subsidies are not unreasonable; reported conditions in the butter market; discussed prices on finished goods in Washington to show that increases have not been unreasonable; and inserted an American Meat Institute report, "An Examination of the Government Food Subsidy Program" prepared by the U.S.

Chamber of Commerce Agriculture Department, and other statements on food and clothing prices since the removal of price control (pp. 9355-66).

21. WOOL. Sen. Morse, Oreg., urged passage of S. 2033, to provide for price support, standards work, and research on wool (p. 9366).
22. NOMINATIONS. Confirmed the nominations of James R. Isleib to be Land Bank Commissioner (FCA) and R.M. Littlejohn to be War Assets Administrator (his nomination was reported earlier by the Military Affairs Committee) (pp. 9369-70).
23. WOOL MARKETING. S. 2033, as reported by the Agricultural and Forestry Committee, (see Digest 193) eliminates the provision for support payments as one means of price support and the permanent indefinite appropriation of receipts from practical-forms fees.

HOUSE

25. THIRD DEFICIENCY APPROPRIATION BILL. Received the conference report on this bill, H.R. 6885 (pp. 9375-7). The conference report provides \$10,000 for salaries and expenses, BDI; \$141,000 for inspection and quarantine, BAI (includes Senate amendment providing \$85,000 for San Island quarantine station which is reported in technical disagreement, but it will be moved that the House recede and concur); and the conferees proposed an amendment to the language (inserted by the Senate) authorizing CCC to purchase surplus potatoes, which will read as follows: "Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized to purchase surplus potatoes (including sweet potatoes) produced during the year 1946 and to process and sell such potatoes to any foreign country, and, upon requisition, to the Army and to the United Nations Relief and Rehabilitation Administration for the relief of hungry people."
26. SOCIAL SECURITY. The Rules Committee reported a resolution for the consideration of H.R. 7037, to amend the Social Security Act (pp. 9377, 9412).
27. RESEARCH; ATOMIC ENERGY. Began debate on S. 1717, the atomic-energy bill (p. 9377-403).
28. SURPLUS PROPERTY. The Expenditures in the Executive Departments Committee reported with amendments S. 1636, to amend the Surplus Property Act to designate the State Department as the disposal agency for surplus property outside the continental U.S. (H.Rept. 2546) (p. 9412).
29. PRICE CONTROL. Rep. Smith, Ohio, was appointed a conferee on the price-control extension measure in place of Rep. Crawford, Mich. (p. 9372).
30. PUBLIC DEBT. Rep. Rich, Pa., called for reduction in the national debt (pp. 9372-3).
31. GRAIN SHORTAGE. Received a Syracuse, N.Y., citizens' petition protesting against the recent USDA order reducing the amount of grain to be allocated to the brewing industry (p. 9413).

BILLS INTRODUCED

32. PUBLIC LANDS; VETERANS. S. 2449, by Sen. Mitchell, Wash., to extend to veterans of World War II preference with respect to the sale of lands disposed of under the Columbia Basin Project Act. To Public Lands and Surveys Committee. (p. 9298.)

~~The PRESIDING OFFICER.~~ Without objection, ~~Senate bill 1835 is indefinitely postponed.~~

ANNUITIES FOR CERTAIN CIVIL SERVICE EMPLOYEES WITH 25 YEARS OF SERVICE

The bill (S. 2366) to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide annuities for employees with 25 years of service, who are involuntarily separated from the service between July 1, 1945, and June 30, 1947, was announced as next in order.

Mr. DOWNEY. Mr. President, House bill 4718 is identical to the Senate bill. I desire to ask unanimous consent that the House bill be substituted for the Senate bill. However, before that is done, I invite attention to one particular point, because there is some controversy over it. I particularly invite the attention of the distinguished Senator from Rhode Island [Mr. GREEN], who was the author of the original Senate bill, and also the attention of the distinguished Senator from Connecticut [Mr. HART], who was interested in this matter when it was before the committee.

This bill provides additional rights for annuitants who may retire within the next few years under conditions where they are involuntarily separated from their employment. Because of returning veterans and because of the diminution in employment, many men who have had long-time service with the Government will lose their jobs, not voluntarily, but involuntarily. This bill would give such men who have had more than 25 years of Government service increased rates in their retirement annuities. The rights generally will be brought up to approximate those which they would receive under the same service if they were retiring at 62 years of age or at some greater age.

When the bill was before our committee it was acceptable to each member of the committee with the exception of the distinguished Senator from Connecticut [Mr. HART], who thought the bill should be limited only to those men who, first, had 25 years of service, and, second, were 55 years of age. Some of those who began to work when they were 20 or 25 years of age, and have had 25 years of service, may be involuntarily separated from their position, though not yet 55 years of age.

When passing the same kind of a bill the House did not require that the worker be 55 years of age. The distinguished Senator from Rhode Island [Mr. GREEN] is very firm in his conviction that such a provision should be contained in the law, and I understand that the House committee will not accept the Senate bill with the provision in it that the annuitant or the employee must be 55 years of age. I consulted with the members of the Civil Service Committee who stated to me that they were willing to accept the House bill without it containing that provision. I also consulted with the distinguished Senator from Connecticut, and while he did not state to me that he would be satisfied with the bill as it came from the House, he did say that he would raise no opposition to it. In any event, he is present on the floor and will speak for himself.

Mr. HART. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. HART. The statement of the Senator from California is correct. He might have added that this bill would throw this particular class of men out of line with the general provisions of the civil-service laws under which the age of 55 is usually the lower limit. However, in view of the special circumstances, and the representation which was made in the committee that, after all, only a few men were excepted, I did tell the Senator from California that I would withdraw my opposition to the bill.

I wish to ask, however, one question. About how much will the proposal cost within the next 2 or 3 years, or as far into the future as the Senator can tell?

Mr. DOWNEY. I may say to the Senator from Connecticut that the Civil Service Commission gave the committee a letter in regard to the original bill which was in the same form as that which it is now proposed to pass. The letter reads as follows:

The Board of Actuaries has estimated this proposal, if adopted, will cost a total additional cost to the Government of \$4,000 for each eligible individual who is involuntarily separated. There are about 105,000 employees who have completed at least 25 years of service, but who have not attained age 60 or 62, and this would make them eligible for optional retirement under the present law. It is believed a maximum of 5 percent of this number will be involuntarily separated. On this basis, the total additional cost to the Government, if this proposal is approved, will be approximately \$20,000,000.

That would be the total cost of the amendment, not annually, but for all time.

Mr. HART. My agreement with the Senator was that I would not press my objection. However, I did not realize at the time that the cost would be so great. I thought that fewer men were affected.

Mr. GREEN. Mr. President, I join heartily in the suggestion made by the Senator from California that the House bill be substituted and that no age limitation be included in the bill to be passed by the Senate. I did not quite understand the implication in the Senator's statement that I had insisted on a 55-year-age limit, because I thought I had been insisting that there be no age limit. However, a provision for 55 years of age is much preferable to one for 60 years of age, which was originally proposed.

Mr. DOWNEY. I meant to say that the distinguished Senator was in favor of the bill in the form in which it came from the House without having in it the provision for 55 years.

Mr. GREEN. The Senator is correct. Not only would the measure be in accord with actuarial practice, but it would be improved in another manner. Allow me to give one illustration of the injustice done under the existing law.

There is a man whom I know by the name of Sullivan who lives in Newport, R. I. He spent his working life in the Government torpedo station at Newport. An explosion occurred in which 14 men were involved; 13 were killed and Sullivan was the survivor. He displayed heroic

qualities in connection with the explosion. High ranking officers of the Navy went out of their way to call on him and tell him that he would be assured of work such as he was capable of doing for the rest of his life. He has worked there almost 30 years. He is now 47 years old. Under the present law he is to be discharged and will receive nothing whatever in the way of retirement benefits.

Mr. President, I have cited an extreme case, but it is a sample of hundreds of cases of which I know. It represents an injustice, and the Government of the United States cannot afford to do an injustice to any of its employees.

The PRESIDING OFFICER. The time of the Senator from California has expired.

Mr. BALL obtained the floor.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. WALSH. I wish to inquire if this bill takes care of those employees in the navy yards who are being discharged because of a reduction in personnel, and who ordinarily would be employed were it not for the preference given to veterans. In other words, men who have been working for 30 and 35 years are now being discharged when ordinarily, they would be retained in service until they could obtain retirement. Does this measure take care of that group of men?

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. DOWNEY. I may say to the Senator from Massachusetts that the bill does take care of the group of men to whom he has referred. I understand that one of the main reasons for the bill is to protect the particular groups of men about whom the Senator has spoken.

Mr. WALSH. The law which grants preference to veterans has resulted, in some instances, in destroying the right of many men to be retained in service when ordinarily they would be retained.

Mr. DOWNEY. The Senator is correct.

Mr. WALSH. And this bill would protect those men.

Mr. DOWNEY. Yes.

Mr. BALL. Mr. President, I wish to ask the Senator from California a couple of questions. First, would those employees who have served 25 years and are involuntarily separated when reaching age 62, be subject to annuities under the existing law?

Mr. DOWNEY. Yes.

Mr. BALL. This measure would give them an annuity immediately, but it would be reduced somewhat according to how much younger than 62 they happened to be. Am I correct?

Mr. DOWNEY. Yes.

Mr. BALL. I understand that the Civil Service Commission is opposed to this bill.

Mr. DOWNEY. No; the Civil Service Commission favored the bill as it was amended by the Senate committee. I do not know what was the position of the Commission with regard to the House bill in the form in which it came to the Senate.

Mr. BALL. Is it the Senator's intention to insert the 55-year provision in

the House bill which it is proposed to offer as a substitute for the Senate bill?

Mr. DOWNEY. No; the purpose of proposing to substitute the House bill was to place before the Senate a measure not containing the 55-year provision. The Senate bill has in it the 55-year provision and the House bill does not.

Mr. BALL. Is it the Senator's intention to cure the situation by an amendment?

Mr. DOWNEY. No; not unless the Senate fails to approve the bill in its present form. Otherwise, I believe that I shall present to the Senate the amendment which has been discussed by the Senator from Minnesota.

Mr. BALL. Mr. President, does the Senator know of any other instance under Federal service in which an employee would retire under the circumstances referred to by the Senator?

Mr. DOWNEY. No. I know of no other right given under any law by which an employee, though involuntarily separated, may obtain any annuity until he is 55 years of age. At the present time, if an employee is involuntarily separated he may receive a very much reduced annuity at 55 years of age. This measure retains that advantage.

Mr. BALL. How much does the bill increase the amount of the annuity under the present law, if any? Does it increase it?

Mr. DOWNEY. Mr. President, it increases the amount of the annuity, and the House bill would also give him the right to retire at 47 or 48, or 52 or 53. I should again like to emphasize the point made by the Senator from Massachusetts. In the Naval Establishment, because of the return of veterans and the reduction of the forces, many men who have rendered very fine service for 20, 25, or 30 years are losing their jobs. This bill would protect those who had been in the service for at least 25 years or more in additional annuities. The annuity they would now receive, even though 55 years of age, is very scanty, and under the present law they could not get it if they were not 55.

Mr. BALL. I wish to confer with some of the Members on this side before the bill is passed. I ask that it go over temporarily.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). The bill will be passed over temporarily.

Mr. DOWNEY subsequently said: Mr. President, I ask unanimous consent that the Senate now return to Senate bill 2366, Calendar No. 1712, a bill to amend the Civil Service Retirement Act of May 29, 1930, as amended.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 2366) to amend the Civil Service Retirement Act of May 29, 1930, as amended, which had been reported from the Committee on Patents with an amendment.

Mr. DOWNEY. Mr. President, I had previously stated that I wished to have the Senate permit the substitution of a House bill on the same subject, namely, House bill 4718, for the Senate bill.

I now ask for the consideration of the

Senate bill so that it may be amended as has been proposed. The committee has reported an amendment to the bill, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. In Senate bill 2366, on page 2, in line 1, after the word "inclusive", it is proposed to insert "after having attained the age of fifty-five and"

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, will the Senator from California yield to me?

Mr. DOWNEY. I yield.

Mr. LA FOLLETTE. I suggest to the Senator that it will facilitate action on this matter in the conference if the Senator will have the Senate consider the House bill and strike out all after the enacting clause of that bill and insert the text of the Senate bill.

Mr. DOWNEY. Mr. President, I thank the Senator for his suggestion, and I am happy to ask unanimous consent to that end.

The PRESIDING OFFICER. Without objection, House bill 4718 will be substituted for Senate bill 2366 and will be considered at this time.

There being no objection, the Senate proceeded to consider the bill (H. R. 4718) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least 25 years of service, which was read the first time by its title and the second time at length, as follows:

Be it enacted, etc., That section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding at the end thereof the following new subsection:

"(e) Any officer or employee to whom this act applies who, after having rendered at least 25 years of service computed as prescribed in section 5 of this act,

"(1) shall have been involuntarily separated from the service not by removal for cause on charges of misconduct or delinquency between August 14, 1945, and August 14, 1947; or

"(2) shall have been voluntarily separated from the service between such dates if such officer or employee had accepted a position with a lower rate of basic salary, pay, or compensation after having been involuntarily separated (not by removal for cause on charges of misconduct or delinquency) between such dates from a position with a higher rate of basic salary, pay, or compensation, and was receiving less than such higher rate at the time of his voluntary separation,

shall be paid an immediate life annuity beginning on the first day of the month following the date of final separation from the service or the first day of the month following the date of enactment of this subsection, whichever date is the later. Such annuity shall have a value equal to an annuity computed as provided in section 4 of this act reduced by one-sixth of 1 percent for each month (or fractional part thereof) any such officer or employee is (A) under the age of 60 years if he has rendered at least 30 years of service computed as prescribed in section 5 of this act, or (B) under the age of 62 years if he has rendered less than 30 years of service computed as prescribed in section 5 of this act."

The PRESIDING OFFICER. At the request of the Senator from California, and without objection, all after the en-

acting clause of House bill 4718 is stricken out, and the text of Senate bill 2366, as it has been amended, is inserted.

The question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2366 is indefinitely postponed.

Mr. DOWNEY subsequently said: Mr. President, reverting to House bill 4718, which was passed earlier in the day, being a bill to amend the Civil Service Retirement Act of May 29, 1930, I move that the Senate insist upon its amendment, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to.

The PRESIDING OFFICER. The conferees will be named later.

Subsequently, the Presiding Officer appointed Mr. DOWNEY, Mr. GEORGE, Mr. BYRD, Mr. LANGER, and Mr. HART conferees on the part of the Senate.

LEAVE OF ABSENCE FOR SCIENTIFIC, TECHNICAL, AND PROFESSIONAL EMPLOYEES

The Senate proceeded to consider the bill (S. 2183) to authorize the heads of executive departments and independent establishments of the United States Government to grant scientific, technical, and professional employees short leaves of absence for advanced research and study, which had been reported from the Committee on Civil Service with an amendment, to strike out all after the enacting clause and to insert the following:

That the head of any executive department or independent establishment of the Government of the United States is authorized to grant to any employee of demonstrated ability a leave of absence from his regularly designated duties for the purpose of allowing such employee to carry on research or study in institutions of higher learning authorized under the laws of any State to confer degrees, and to contract with such institutions to provide such research or study.

Sec. 2. Leaves of absence may be granted and contracts may be made under authority of this act only for such research or study as, in the opinion of the head of the department or establishment concerned, will materially increase the value of the employee to the Government.

Sec. 3. Any leave of absence granted under the provisions of this act shall be granted without loss of salary or compensation to the employee and shall not be deducted from any leave of absence with pay authorized by any other law: *Provided*, That any employee shall make a definite statement, in writing, that he will return to and, unless involuntarily separated, will remain in the Federal service for a period of 2 years if the period of research or study for which he is granted such leave of absence does not exceed 6 months, or for a period of 4 years if such period of research or study exceeds 6 months. Any employee who does not fulfill any such commitment shall be required to reimburse the Government for the amount of leave granted under this act, and for any expenses incurred by the Government in providing for such research or study.

79TH CONGRESS
2^D SESSION

H. R. 4718

IN THE SENATE OF THE UNITED STATES

JULY 17 (legislative day, JULY 5), 1946

Read twice, considered, amended, read the third time, and passed

AN ACT

To amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least twenty-five years of service.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 7 (a) of the Act of May 29, 1930, is amended
4 by adding at the end of the first proviso thereof the fol-
5 lowing: "*Provided further*, That any officer or employee
6 to whom this Act applies who shall have been or shall be
7 involuntarily separated from the service not by removal for
8 cause on charges of misconduct or delinquency, between
9 July 1, 1945, and June 30, 1947, both dates inclusive,

1 after having attained the age of fifty-five and after having
2 completed at least twenty-five years of service computed
3 under the provisions of section 5 hereof, shall be paid an
4 annuity beginning on the first day of the month following
5 the date of separation from service computed as provided
6 in section 4 of this Act except that such annuity shall be
7 reduced by one-sixth of 1 per centum for each full month
8 of age under sixty-two years; but if such separated employee
9 shall have completed thirty or more years of such service
10 the annuity shall be reduced by one-sixth of 1 per centum
11 for each full month of age under sixty years.”

Passed the House of Representatives July 15, 1946.

Attest:

SOUTH TRIMBLE,

Clerk.

79TH CONGRESS
2^D Session

H. R. 4718

AN ACT

To amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least twenty-five years of service.

JULY 17 (legislative day, JULY 5), 1946

Read twice, considered, amended, read the third time,
and passed

AMENDING CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4718) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least 25 years of service, with a Senate amendment thereto, disagree to the Senate amendment and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. JACKSON, MANASCO, RAYFIEL, REES of Kansas, and BYRNES of Wisconsin.

INDIAN CLAIMS COMMISSION

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4497) to create an Indian Claims Commission, to provide for the powers, duties, and functions thereof, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. JACKSON, FERNANDEZ, STIGLER, MUNDT, and ROBERTSON of North Dakota.

SUGAR ACT OF 1937

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6689) to extend for an additional year the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate amendment: Page 2, strike out lines 7 to 10, inclusive.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. HOPE. Mr. Speaker, reserving the right to object, will the gentleman explain the purport of the matter stricken out by the Senate?

Mr. FLANNAGAN. The House passed the extension bill for 1 year. The Senate reported out a 3-year bill but finally accepted the House extension for a year to eliminate section 3 which applies to sugar quotas from the Philippines, due to the fact that the Philippines in the meantime had been granted their independence, and the sugar quota was taken care of in the act granting independence to the Philippines.

Mr. HOPE. It therefore would be superfluous?

Mr. FLANNAGAN. It would be superfluous now. It should have been in the original act, but at that time the Independence Act had not gone into affect.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following communication:

JULY 19, 1946.

Hon. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Accounts.

Respectfully yours,

LEO E. ALLEN,
Thirteenth Illinois District.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

PANAMA CANAL

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3748) to amend an act entitled "An act to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal," approved May 29, 1944, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. PETERSON of Florida, BONNER, and HERTER.

PERMISSION TO ADDRESS THE HOUSE

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DISPOSITION OF PROPERTY ACQUIRED BY GOVERNMENT AGENCIES

Mr. BRADLEY of Michigan. Mr. Speaker, I was very much surprised to learn in the hearing before the Committee on the Merchant Marine and Fisheries yesterday, at which several division heads from the General Accounting Office were present, that the Accounting Act does not provide for the Comptroller General to check on the disposition of property acquired by the various Government departments and agencies with the single exception of the Maritime Commission, and that is provided in the Merchant Marine Act of 1936, as amended. In other words, they check into the financial transactions only. They make sure that the proper payments are made for the proper materials as ordered and as received, but they have no authority to check into the disposition of that property. It may be lost or stolen, and no check is made by an independent agency. The next Congress should correct that situation.

EXTENSION OF REMARKS

Mr. FULLER asked and was given permission to extend his remarks in the RECORD.

Mr. HINSHAW (at the request of Mr. MARTIN of Massachusetts) was given permission to include certain excerpts in the remarks he made in the Committee of the Whole today.

APPOINTMENT OF AN ADDITIONAL JUDGE FOR THE DISTRICT OF DELAWARE

Mr. SUMNERS of Texas submitted the following conference report and statement on the bill (S. 1801) authorizing the appointment of an additional judge for the district of Delaware:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1801) authorizing the appointment of an additional judge for the district of Delaware, having met, after full and free conference, have agreed to recommend and do recommend to their respect Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"Provided, That the first vacancy occurring in the office of district judge in said district shall not be filled: *Provided further*, That unless the President shall submit a nomination to the Senate or make a recess appointment to fill the office hereby created within ninety days after the effective date of this Act, then in that event this Act shall be of no force and effect."

And the House agree to the same.

HATTON W. SUMNERS,

FRANCIS E. WALTER,

JOHN JENNINGS, Jr.,

Managers on the Part of the House.

PAT MCCARRAN,

ABE MURDOCK,

E. H. MOORE,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1801) authorizing the appointment of an additional judge for the district of Delaware, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The House passed the Senate bill after amending it to provide that no appointment should be made to fill the first vacancy which should thereafter occur in that district, and by further providing that the act should be ineffective unless a nomination to fill the office thus created be submitted to the Senate within 90 days. The Senate disagreed to the House amendment and requested the conference, to which the House agreed.

The Senate conferees agreed to the amendment of the House with the addition of language to insure that a recess appointment could be made within the 90-day period in the event the Senate should not be in session, with which the House conferees agreed.

HATTON W. SUMNERS,

FRANCIS E. WALTER,

JOHN JENNINGS, Jr.,

Managers on the Part of the House.

FEES OF UNITED STATES COMMISSIONERS

Mr. SUMNERS of Texas submitted the following conference report and state-

ment on the bill (S. 346) to amend section 21 of the act of May 28, 1896 (29 Stat. 184; 28 U. S. C., sec. 597), prescribing fees of United States commissioners:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 346) to amend section 21 of the act of May 28, 1896 (29 Stat. 184, 28 U. S. C., sec. 597), prescribing fees of United States commissioners, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House and agree to the same.

HATTON W. SUMNERS,
EMANUEL CELLER,
LOUIS E. GRAHAM,

Managers on the Part of the House.

PAT MCCARRAN,
JAMES W. HUFFMAN,
WILLIAM A. STANFILL,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 346) to amend section 21 of the act of May 28, 1896 (29 Stat. 184; 28 U. S. C., sec. 597), prescribing fees of United States commissioners, submit the following explanation of the effect of the action agreed upon in conference and recommended in the accompanying conference report.

Seven amendments were made by the House to the Senate bill, the first two of which were to provide that the increases authorized by the Federal Employees Pay Act of 1945 as amended by the Federal Employees Pay Act of 1946 be applied to the fees of commissioners prescribed by the bill. The other five amendments were made to correct the language of the bill. The Senate disagreed to these amendments and requested the conference, to which the House agreed.

The Senate conferees agreed to the House amendments.

HATTON W. SUMNERS,
EMANUEL CELLER,
LOUIS E. GRAHAM,

Managers on the Part of the House.

FIXING THE SALARIES OF CERTAIN JUDGES OF THE UNITED STATES

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent for immediate consideration of the bill (S. 920) to fix the salaries of certain judges of the United States.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. RUSSELL. Reserving the right to object, Mr. Speaker, may I ask the chairman of the committee if this is the bill that raises the salaries of all the members of the judiciary, in some brackets as high as 50 percent, and as to Federal district judges from \$10,000 a year to \$15,000 a year?

Mr. SUMNERS of Texas. That is the bill.

Mr. RUSSELL. Does not the chairman think that a bill of this magnitude, in view of the strained financial condition of our country, should come before the House when a quorum is here to consider it and decide whether or not we should agree to an inflationary measure like this?

Mr. SUMNERS of Texas. May I say to my distinguished friend that while we do not have as many Members here as we sometimes have, we certainly have a very fine cross-section of the House on each side, Members with lots of intelligence, and I imagine they can pass on the question.

Mr. RUSSELL. Mr. Speaker, much as I hate to do so, and without any reflection upon the chairman of the great Committee on the Judiciary or the fine gentleman who is the author of this bill, I am compelled to object to the present consideration of this bill.

HOUR OF MEETING TOMORROW

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SUSPENSION OF THE RULES

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent that it be in order on Saturday next for the Speaker to recognize Members to move to suspend the rules.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from South Dakota [Mr. MUNDT] is recognized for 30 minutes.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a letter which I have written to J. Edgar Hoover of the Federal Bureau of Investigation and a letter which J. Edgar Hoover wrote to me.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

WHAT IS HAPPENING TO AMERICA'S FIRST LINE OF DEFENSE?

Mr. MUNDT. Mr. Speaker, if that great American was right who said, "Eternal vigilance is the price of liberty," and in my opinion he was 100-percent correct, then the Budget Bureau of President Truman is eternally wrong in gambling with fate the way it has in recommending specific cuts in appropriations which virtually mean the dismantling of the investigation service of the United States Civil Service. It should be a matter of real public concern to determine just who it was, either on or off the staff of the Budget Bureau, who succeeded in thus sabotaging America's first line of defense because certainly the first place to safeguard our Nation's security is to make certain that those who work for our Government believe in the system which they are privileged to help operate.

It is, however, of even greater public concern that Congress now take steps to protect America against the foolhardy and dangerous relaxations which have been made in the investigation of potential Government employees so that it

now amounts to practically giving the green light to every political saboteur and un-American agent in this Republic who desires to see our public offices infiltrated to the point of saturation with undesirable, unpatriotic, and un-American personnel. In my opinion, it has never been more important at any time in our whole national history to "place only Americans on guard"; instead, we have let down the bars and unlocked the doors without justification, without reason, and without due regard to our national security.

Mr. Speaker, I am not alone in these fears. In the course of my remarks, I propose to quote no less an authority than J. Edgar Hoover, himself, who as Director of the Federal Bureau of Investigation is charged with safeguarding our civilian security. I shall also quote from Mr. Arthur S. Flemming, our able and alert Civil Service Commissioner. Both of these good public officials are seriously disturbed at this action by the Budget Bureau which, due to the pressure of a multitude of other public duties upon Members of Congress, has up to now all but escaped public notice and completely escaped congressional correction.

I am recommending that the appropriate committees of Congress take action without delay to correct a condition which if longer ignored or completely neglected is likely to result in the certifying into positions of public responsibility a large number of people whose primary motive for seeking public service is to destroy rather than to develop the system of government which gives them employment.

As a member of the House Committee to Investigate Un-American Activities, I shall ask our committee to devote special attention to the conditions which are apt to develop from the horrific lassitude—if it is not worse than that—which the Budget Bureau has exemplified toward the all-important matter of carefully screening and systematically investigating the character and suitability of applicants for Federal positions before they are given places of responsibility and access to records and data of vital importance to our country as a whole. However, our Committee to Investigate Un-American Activities can function only to expose that which has already occurred—we are not able to enforce standards of selection which will prevent the employment of political saboteurs, un-American agents, and outright criminals. That must be done by authorities charged with the responsibility and equipped with the personnel and the authority to make the necessary pre-employment checks and investigations required to make positive that those who would work in the American Government are loyal to America and are adherents to the American way of life.

Only the Civil Service Commission and the Federal Bureau of Investigation are equipped with the authority to do that and I shall show conclusively that neither agency has the personnel or funds with which to accept this significant responsibility. Both agencies recognize the need for such investigations, both agencies view with acute alarm the steps which

July 2

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued July 23, 1946
For actions of July 22, 1946
79th-2nd, No. 144

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HIGHLIGHTS: House received conference report on price-control measure; to come up today on floor. Sen. Wherry discussed meat price and supply situation. Rep. Murray discussed general farm situation.

HOUSE

1. **PRICE CONTROL.** Received the conference report on H. J. Res. 371, to extend and amend the Price Control and Stabilization Acts (pp. 9777-87).

As reported from conference, the measure provides as follows: Continues these Acts until June 30, 1947, in modified form. Requires the President to recommend, by Jan. 15, 1947, any necessary legislation to establish policies to supplement price control. Requires the President, by Apr. 1, 1947, to report to Congress any price controls which will be necessary after June 30, 1947. Requires the Price Administrator, by Dec. 31, 1946, to decontrol non-agricultural commodities not important to business or living costs, and to provide for prompt removal of controls when supply and demand are balanced. Requires the Secretary of Agriculture, on the first day of the first month beginning over 30 days after enactment, to certify each agricultural commodity in short supply, and to continue certifications thereafter; and provides that no ceiling shall be applicable to such commodities after that date unless so certified. Requires the Secretary, by Dec. 31, 1946, to recommend removal of ceilings on all agricultural commodities not important to business or living costs, and requires the Price Administrator to carry out these recommendations. If an agricultural commodity later is in short supply, permits the Secretary to provide for re-control with consent of the Price Decontrol Board. Provides that the Secretary shall not be under control of any appointive official or agency. Prohibits ceilings on agricultural commodities unless they were in existence before Apr. 1, 1946. Prohibits ceilings on poultry or eggs or their food or feed products, or tobacco or its products, except that after Aug. 20, ceilings may be reestablished with approval of the Price Decontrol Board. Prohibits ceilings on livestock, milk, or their food or feed products, cottonseed or soybeans or their food or feed products, grains under the Grain Standards Act or their feed products, prior to Aug. 21, 1946; requires the Board to hold hearings on whether these products shall be regulated and to decide the matter under certain conditions. Authorizes

the Board to decide whether subsidies shall be continued. Requires that ceilings on these commodities shall return to handlers raw-material cost, conversion of distribution cost, and a reasonable profit. Provides for petitions to the Secretary by industry committees regarding agricultural commodities, requires prompt consideration of such petitions, and permits appeals to the Board. Permits subsidies during the fiscal year 1947 for noncrop programs, 1946 crop program operations and 1947 crop program operations relating to sugar, flour, etc., \$869,000,000, with provisions for gradual reductions. Continues rent control. Provides that this bill shall not limit the Veterans' Emergency Housing Act. Includes sea food and its products as agricultural commodities. Provides that, in the case of softwood logs and lumber, ceilings shall permit producers of at least 90% of production to recover costs. Limits establishment of fabrics ceilings. Requires ceilings to return to an industry 1940 profits. Authorizes the Secretary to allocate feed to shortage areas. Permits wheat producers a choice as to the date on which prices are determined in connection with forced sales.

Majority leader McCormack announced that this measure will be considered on the floor today (p. 9824).

2. SURPLUS PROPERTY. Agreed to a resolution giving the Select Committee to Investigate the Disposition of Surplus Property, an additional \$15,000 (p. 9788).
3. MINERALS. Reps. Peterson (Fla.), White, Fernandez, LeCompte, and Barrett (Wyo.) were appointed conferees on S. 1236, to promote the development of oil and gas on the public domain and on lands acquired for the Appalachian National Forest (p. 9790). Senate conferees were appointed July 19.
4. RESEARCH; ATOMIC ENERGY. Both Houses appointed conferees on S. 1717, the atomic-energy bill (pp. 9737-9, 9802).
5. HOUSING. Reps. Miller (Nebr.) and Knutson (Minn.) objected to Rep. Stancu's (Ky.) request that the Banking and Currency Committee by unanimous consent be permitted to sit during the general debate while the House is in session for the remainder of the session, for the purpose of considering S. 1592, the Wagner-Blair-Taft housing bill (pp. 9822).
6. PERSONNEL; RETIREMENT. Received the conference report on H.R. 4718, to amend the Civil Service Retirement Act to provide annuities for certain employees who have rendered at least 25 years of service (p. 9822-3). The substitute bill reported by the conferees provides optional retirement at a reduced annuity for any employee who attains the age of 55 with 25 years of service if he has been involuntarily separated from the service (not by removal for cause on charges of misconduct).
7. RESEARCH. Rep. Mills, Ark., announced that he is in accord with the decision of the Interstate and Foreign Commerce Committee not to consider H.R. 6448 and S. 1850, bills to create a National Science Foundation, before the adjournment or recess of Congress (p. 9788).
8. CONGRESSIONAL REORGANIZATION. The revision of S. 2177 which Rep. Monroney plans to submit to the House (see Digest 142) includes the following amendments to the Senate revision: Changes the receipts-expenditures section so as to provide that, by Mar. 1 each year, the revenue and appropriations committees shall make an over-all estimate of receipts and expenditures, including a reserve for deficiencies, and shall report a concurrent resolution (1) to provide for reduction of the public debt if receipts are estimated to exceed expenditures or (2) to express it as the sense of Congress that the public debt be increased by the

some knowledge of the provisions of this bill. I have given it a good deal of time as well as the other members of the committee have. I just want to reiterate what I had to say in the early part of the afternoon that what I am concerned about as much as anything else is the administration of this hospital when it is completed. There are no provisions in this bill for the administration of this tremendously large hospital center, and we are given to understand that under its provisions three of the large hospitals presently operating in the District will sell their buildings and their assets and turn over those assets to the Public Works Administration. The estimated cost of this hospital center is anywhere from twenty to thirty million dollars. It was originally estimated at \$20,000,000 when it came from the Senate. There are no other hospitals in the District, apparently, that want to go into this hospital center. So with the \$5,000,000 of assets that they will turn over to the Federal Works Administration, the Federal Works Administration with the other twenty to thirty million dollars will construct the hospital and the representatives of these three hospitals will go in and operate this huge medical center. There is not a representative of the District of Columbia to be on the board. There is not a representative of the United States Department of Health or the Federal Government to be on the board. We will have no control whatever over the administration and the expenses of that hospital when it is completed. If you want to do that sort of a job, why, go ahead.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ABERNETHY: Page 13, line 1, strike out "\$35,000,000" and insert "\$17,500,000."

Mr. ABERNETHY. Mr. Chairman, this bill originally authorized an appropriation of \$35,000,000, about \$15,000,000 to \$18,000,000 of which would be utilized in the construction of a hospital center and the remainder to be disbursed in grants to hospitals which do not participate in the center. The Committee having earlier in the day in adopting my amendment stricken from the bill the grants to private hospitals, it therefore follows that the Committee should limit the authorization to the estimated cost of the hospital center. It was estimated before the Committee that the hospital center would cost anywhere from \$15,000,000 to \$18,000,000. The adoption of this amendment would leave sufficient authorization for the hospital center while reducing the over-all authorization.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. Has the gentleman any figures to substantiate what I had to say about the Federal Government assuming about 70 percent of the cost of this program?

Mr. ABERNETHY. I have. The bill as reported by the Committee on the District of Columbia provides, according to estimates made during the hearings, that the District of Columbia and the hospitals participating in the Center would contribute about 22½ percent of the entire cost; and when eliminating that portion which the private hospitals would contribute, it leaves the District of Columbia actually contributing only 8.6 percent of the cost of the entire program.

Mr. BATES of Massachusetts. What about the Federal Government?

Mr. ABERNETHY. The Federal Government would contribute 77.5 percent.

(Mr. ABERNETHY asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Chairman, the reason I ask for this time is that I asked the gentleman from Illinois [Mr. DIRKSEN] a question and its implications might have an effect I do not wish it to have. I realize there are hundreds of thousands of people in the city of Washington who come from the States of this Union who will require and receive the benefit of hospital facilities here in the District, and that the comparable amount that should be allocated to the ordinary city or town does not apply to the District of Columbia, where we have so many people who are not taxpayers but who would be given the benefit of these facilities. I am afraid that we will make a mistake if we vote this bill down. As far as the administration of it is concerned, that can be attended to by the Congress by a provision later on. I have come to the conclusion that we ought not to defeat this measure.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Iowa.

Mr. JENSEN. May I point out that the people coming from the States to live in Washington pay for their care in the hospitals just as they pay for their food and their clothing, and they pay well for hospital service.

Mr. FOLGER. If the facilities were not here, they might die and not have the opportunity to pay for their treatment. It is a preparation for the people not only taxpayers here but people from all the States.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. May I point out that we are constantly decreasing the taxable property in the District of Columbia, year by year.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi to the committee amendment.

The amendment to the committee amendment was rejected.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

Mr. HEALY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. TRIMBLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 223) to provide for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

Mr. HEALY. Mr. Speaker, I demand a separate vote on the so-called Abernethy amendment.

The SPEAKER. As the Chair understands the situation, the gentleman cannot demand a separate vote on an amendment to an amendment adopted in the Committee of the Whole.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BATES of Massachusetts) there were—ayes 75, noes 42.

Mr. BATES of Massachusetts. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 162, nays 106, not voting 162, as follows:

[Roll No. 231]

YEAS—162

Allen, Ill.	D'Alesandro	Hagen
Allen, La.	Davis	Hall
Andersen,	Dingell	Edwin Arthur
H. Carl	Dirksen	Hancock
Andersen,	Douglas, Calif.	Havener
August H.	Douglas, Ill.	Hays
Andrews, Ala.	Doyle	Healy
Angell	Drewry	Hedrick
Arends	Elliott	Henry
Auchincloss	Ellis	Herter
Bennett, Mo.	Ellsworth	Heslton
Biemiller	Elsaesser	Hinshaw
Bishop	Engle, Calif.	Hook
Blackney	Fallon	Hope
Bland	Feighan	Horan
Bloom	Fogarty	Howell
Bolton	Folger	Huber
Brehm	Forand	Hull
Brooks	Fulton	Jackson
Brown, Ga.	Gallagher	Jarman
Brumbaugh	Gardner	Jenkins
Buchanan	Gathings	Johnson, Calif.
Bulwinkle	Gavin	Judd
Byrne, N. Y.	Geelan	Kearney
Byrnes, Wis.	Gifford	Kee
Carnahan	Gillette	Keefe
Case, N. J.	Gordon	Kelley, Pa.
Chapman	Gorski	Kelly, Ill.
Chislerfield	Granger	King
Crosser	Grant, Ala.	Kirwan

Kopplemann
LaFollette
Larcade
Latham
LeFevre
Lemke
Lesinski
Lewis
Link
McCormack
McDonough
McGregor
Madden
Manasco
Martin, Mass.
Mathews
Michener
Monroney
Murdock
Neely
O'Brien, Ill.
O'Brien, Mich.
O'Hara
Outland
Patman
Peterson, Fla.

Pittenger
Plumley
Pratt
Price, Fla.
Price, Ill.
Rabaut
Rains
Ramey
Randolph
Reed, Ill.
Reed, N. Y.
Resa
Richards
Riley
Robertson,
N. Dak.
Robson, Ky.
Roe, Md.
Rogers, Fla.
Rogers, Mass.
Rogers, N. Y.
Rowan
Ryder
Sabath
Sadowski
Sasscer

Savage
Simpson, Ill.
Smith, Maine
Smith, Va.
Spence
Starkey
Stefan
Stevenson
Stigler
Sullivan
Taylor
Thomas, Tex.
Thomason
Towe
Trimble
Voorhis, Calif.
Vorys, Ohio
Wadsworth
Walter
Wolcott
Wolverton, N. J.
Woodhouse
Woodruff
Zimmerman

O'Toole
Patrick
Patterson
Peterson, Ga.
Pfeifer
Phillips
Phillips
Ploesser
Powell
Priest
Quinn, N. Y.
Rabin
Rayfield
Reece, Tenn.
Rich
Rivers
Robinson, Utah

Rockwell
Roe, N. Y.
Rooney
Russell
Shafer
Sharp
Sheppard
Sheridan
Short
Sikes
Simpson, Pa.
Slaughter
Somers, N. Y.
Sparkman
Stewart
Stockman
Sumner, Ill.

Sundstrom
Talbot
Thomas, N. J.
Tolan
Torrens
Traynor
Vinson
Weaver
Welch
West
White
Wickersham
Wigglesworth
Wolfenden, Pa.
Wood

and Currency be permitted to sit during the sessions of the House.

ANNUITIES FOR CERTAIN OFFICERS AND EMPLOYEES WHO HAVE RENDERED AT LEAST 25 YEARS OF SERVICE

Mr. FORAND (at the request of Mr. JACKSON) submitted the following conference report and statement on the bill (H. R. 4718) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least 25 years of service:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4718) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least twenty-five years of service, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding at the end thereof the following new subsection:

"(e) Any officer or employee to whom this Act applies who, after having attained the age of fifty-five and after having rendered at least twenty-five years of service computed as prescribed in section 5 of this Act,

"(1) shall have been involuntarily separated from the service not by removal for cause on charges of misconduct or delinquency between July 1, 1945, and June 30, 1947, both dates inclusive; or

"(2) shall have been voluntarily separated from the service between such dates if such officer or employee had accepted a position with a lower rate of basic salary, pay, or compensation after having been involuntarily separated (not by removal for cause on charges of misconduct or delinquency) between such dates from a position with a higher rate of basic salary, pay, or compensation, and was receiving less than such higher rate at the time of his voluntary separation, shall be paid an immediate life annuity beginning on the first day of the month following the date of final separation from the service. Such annuity shall have a value equal to an annuity computed as provided in section 4 of this Act reduced by one-sixth of 1 per centum for each full month any such officer or employee is (A) under the age of sixty years if he has rendered at least thirty years of service computed as prescribed in section 5 of this Act, or (B) under the age of sixty-two years if he has rendered less than thirty years of service computed as prescribed in section 5 of this Act."

And the Senate agree to the same.

HENRY M. JACKSON,
CARTER MANASCO,
LEO RAYFIELD,
EDWARD H. REES,
JOHN W. BYRNES,

Managers on the Part of the House.

SHERIDAN DOWNEY,
WALTER F. GEORGE,
HARRY F. BYRD,
WILLIAM LANGER,
THOS. C. HART,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the

So the bill was passed.
The Clerk announced the following pairs:

Additional general pairs:

Mr. Beckworth with Mr. Sundstrom.
Mr. Combs with Mr. Sharp.
Mr. Boren with Mr. Rich.
Mr. Fernandez with Mr. Phillips.
Mr. Bryson with Mr. Shafer.
Mr. Gossett with Mr. Fellows.
Mr. Bunker with Mr. Andrews of New York.
Mr. Gary with Mr. Baldwin of New York.
Mr. Coffee with Mr. Beall.
Mr. McGehee with Mr. Marcantonio.
Mr. Roe of New York with Mr. Wigglesworth.

Mr. SMITH of Wisconsin changed his vote from "yea" to "nay." The result of the vote was announced as above recorded. A motion to reconsider was laid on the table.

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit during general debate while the House is in session for the remainder of the session, for the purpose of considering the bill S. 1592, the Wagner-Elender-Taft bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. MILLER of Nebraska. I object, Mr. Speaker.

Mr. KNUTSON. I object, Mr. Speaker. They have already done enough harm.

PERMISSION TO ADDRESS THE HOUSE

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

WAGNER-ELLENDER-TAFT BILL

Mr. SPENCE. Mr. Speaker, there has been a general request coming from all over the country that the Committee on Banking and Currency proceed with the hearings on the Wagner-Elendar-Taft bill. We started hearings some time ago, but because of dilatory motions made by some of the Members we were unable to proceed with expedition. I believe if we were permitted to sit during the sessions of the House while general debate is being held we could make some agreement to limit the hearings and be able to report out a bill at this session. Certainly this bill deserves consideration where so much general interest has been expressed in it. I regret exceedingly that there has been objection to the request that the Committee on Banking

NAYS—106

Abernethy
Arnold
Barden
Barrett, Wyo.
Bates, Mass.
Bell
Bonner
Brown, Ohio
Buck
Buffett
Butler
Camp
Cannon, Mo.
Carlson
Case, S. Dak.
Chelf
Church
Clason
Clevenger
Cole, Mo.
Colmer
Cooley
Cunningham
Curtis
D'Ewart
Dolliver
Domengeaux
Dondero
Doughton, N. C.
Durham
Dworshak
Eberhart
Elston
Ervin
Fenton
Fisher

Flannagan
Gamble
Gearhart
Gillie
Goodwin
Gore
Graham
Grant, Ind.
Griffiths
Gross
Gwynne, Iowa
Harness, Ind.
Harris
Hess
Hobbs
Hoeven
Holmes, Mass.
Jennings
Jensen
Johnson, Ill.
Johnson, Ind.
Jones
Jonkman
Kinzor
Knutson
Kunkel
Landis
Lanham
LeCompte
McConnell
McCowan
McMillen, Ill.
Martin, Iowa
Mason
Miller, Nebr.
Mills

Mundt
Murray, Tenn.
Murray, Wis.
Norblad
Norrell
Pace
Pickett
Poage
Rankin
Rees, Kans.
Rizley
Robertson, Va.
Rodgers, Pa.
Schwabe, Mo.
Schwabe, Okla.
Scrivner
Smith, Ohio
Smith, Wis.
Springer
Summers, Tex.
Taber
Talle
Tarver
Thom
Tibbott
Vursell
Wasielewski
Weichel
Whitten
Whittington
Wilson
Winstead
Winter
Worley

NOT VOTING—162

Adams
Almond
Anderson, Calif.
Andrews, N. Y.
Bailey
Baldwin, Md.
Baldwin, N. Y.
Barrett, Pa.
Barry
Bates, Ky.
Beall
Beckworth
Bender
Bennet, N. Y.
Boren
Boykin
Bradley, Mich.
Bradley, Pa.
Bryson
Buckley
Bunker
Campbell
Canfield
Cannon, Fla.
Celler
Chenoweth
Clark
Clements
Clippinger
Cochran
Coffee
Cole, Kans.
Cole, N. Y.
Combs
Cooper
Corbett
Courtney
Cox
Cravens

Crawford
Curley
Daughton, Va.
Dawson
De Lacy
Delaney,
James J.
Delaney,
John J.
Earthman
Eaton
Engel, Mich.
Fellows
Fernandez
Flood
Fuller
Gary
Gerlach
Gibson
Gillespie
Gossett
Granahan
Green
Gregory
Gwynn, N. Y.
Hale
Hall
Leonard W.
Halleck
Hand
Hare
Harless, Ariz.
Hart
Hartley
Hébert
Heffernan
Hendricks
Hill
Hoch

Hoffman, Mich.
Hoffman, Pa.
Holifield
Holmes, Wash.
Izac
Johnson, Okla.
Johnson, Tex.
Kean
Kefauver
Keogh
Kerr
Kilburn
Kilday
Klein
Lane
Lea
Luca
Ludlow
Lyle
Lynch
McGehee
McGlinchey
McKenzie
McMillan, S. C.
Mahon
Maloney
Mankin
Mansfield,
Mont.
Mansfield, Tex.
Marcantonio
May
Merrow
Miller, Calif.
Morgan
Morrison
Norton
O'Konski
O'Neal

Senate to the bill (H. R. 4718) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least 25 years of service, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment strikes out all of the House bill after the enacting clause. The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment, and that the Senate agree to the same.

The House bill added a new subsection to section 1 of the Civil Service Retirement Act of May 29, 1930. The Senate amendment adds a new proviso to section 7 (a) of such act. An employee retiring under section 1 of such act may elect to receive, in lieu of the full annuity to which he is entitled, a reduced annuity and an annuity after his death payable to his beneficiary. Employees retiring under section 7 (a) of such act have no such right of election. The conference substitute is the same as the House bill.

The Senate amendment provides that an officer or employee must have attained the age of 55 and have completed at least 25 years of service prior to involuntary separation from the service in order to be eligible for the retirement benefits of the proposed legislation. The House bill had no such age requirement; but extended the benefits of the bill to officers and employees who are voluntarily separated from the service if they have accepted positions with lower rates of basic compensation after having been involuntarily separated from positions with higher rates of basic compensation and were receiving less than such higher rates at the time of their voluntary separation. The conference substitute adopts the provisions of the Senate amendment with respect to the age requirement, but retains the language of the House bill with respect to voluntary separations.

The benefits of the House bill were limited to officers and employees separated from the service between August 14, 1945, and August 14, 1947, while the Senate amendment included officers and employees separated from the service between July 1, 1945, and June 30, 1947, both dates inclusive. The conference substitute adopts the Senate provision.

The House bill provided that annuity shall be paid beginning on the 1st day of the month following the date of separation from the service or the 1st day of the month following the date of enactment of the proposed legislation, whichever date is the later. The Senate amendment prescribes that the annuity shall, in every case, be paid beginning on the 1st day of the month following the date of separation from the service. The conference substitute follows the Senate amendment.

HENRY M. JACKSON,
CARTER MANASCO,
LEO RAYFIEL,
EDWARD H. REES,
JOHN W. BYRNES,

Managers on the Part of the House.

EXTENSION OF REMARKS

Mr. VOORHIS of California asked and was given permission to extend his remarks in the Appendix of the RECORD and to include a letter from the Department of Justice and certain material having to do with the National Petroleum Council.

GEN. JOHN J. PERSHING

Mr. LARCADE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3944) authorizing the President of the United

States to award a special Congressional Medal of Honor to General John J. Pershing, United States Army.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President of the United States of America is authorized to award, in the name of Congress, a special Medal of Honor to General John J. Pershing, General of the Armies of the United States of America, in recognition of his peerless leadership, heroic achievements, and great military victories, as Commander in Chief of the American Expeditionary Forces in Europe in World War I, and for his gallant and unselfish devotion to the service of his country in his contribution to the preparation for, and the prosecution of, World War II.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"The President of the United States is requested to cause a gold medal to be struck, with suitable emblems, devices, and inscriptions to be presented to Gen. John J. Pershing, General of the Armies of the United States of America, in recognition of his peerless leadership, heroic achievements, and great military victories, as Commander in Chief of the American Expeditionary Forces in Europe in World War I, and for his gallant and unselfish devotion to the service of his country in his contribution to the preparation for, and the prosecution of, World War II.

"SEC. 2. When the medal provided for in section 1 of this act, shall have been struck, the President shall cause the same to be presented to General Pershing in the name of the people of the United States of America.

"SEC. 3. A sufficient sum of money to carry this act into effect is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated."

The committee amendment was agreed to.

Mr. LARCADE. Mr. Speaker, this bill has the unanimous approval of the Military Affairs Committee. I have taken the matter up with the leadership on both sides of the House, as well as the Speaker of the House. There is no opposition to it. I ask that the House pass the bill as amended.

Mr. CURTIS. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I shall support the pending resolution.

[Mr. CURTIS addressed the House. His remarks will appear hereafter in the Appendix.]

(Mr. CURTIS asked and was given permission to revise and extend his remarks.)

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill authorizing the President of the United States to award a special medal to General of the Armies of the United States John J. Pershing."

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. TOLAN (at the request of Mr. DOYLE) was given permission to extend his remarks and include a letter.

Mr. DOYLE asked and was given permission to revise and extend his remarks and include a sermon by Reverend Anderson, of Long Beach, Calif.

Mr. SADOWSKI asked and was given permission to extend his remarks in two instances.

Mr. MCKENZIE (at the request of Mr. LARCADE) was given permission to extend his remarks in the RECORD in two instances.

AMENDING THE NATIONALITY ACT OF 1940

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 338) to amend section 201 (g) of the Nationality Act of 1940 (54 Stat. 1138-1139; 8 U. S. C. 601), with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That section 201 of the Nationality Act of 1940 (54 Stat. 1138-1139; 8 U. S. C. 601) is hereby amended by adding the following subsection to be known as subsection (i):

"(i) A person born outside the United States and its outlying possessions of parents one of whom is a citizen of the United States who has served or shall serve honorably in the armed forces of the United States after December 7, 1941, and before the date of the termination of hostilities in the present war as proclaimed by the President or determined by a joint resolution by the Congress and who, prior to the birth of such person, has had 10 years' residence in the United States or one of its outlying possessions, at least five of which were after attaining the age of 12 years, the other being an alien: *Provided*, That in order to retain such citizenship, the child must reside in the United States or its outlying possessions for a period or periods totaling 5 years between the ages of 13 and 21 years: *Provided further*, That, if the child has not taken up a residence in the United States or its outlying possessions by the time he reaches the age of 16 years, or if he resides abroad for such a time that it becomes impossible for him to complete the 5 years' residence in the United States or its outlying possessions before reaching the age of 21 years, his American citizenship shall thereupon cease."

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. LESINSKI]?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the Senate amendment?

Mr. LESINSKI. Yes. When the House passed the original bill H. R. 388 an error was made so that the privileges ran to other than service people and excluded service people directly. The present amendment passed by the Senate merely adds a new section to section 201 of the Nationality Act of 1940 and limits the benefits to service people only.

Mr. MARTIN of Massachusetts. It now only includes service people?

Mr. LESINSKI. Just service people.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Senate amendment was agreed to. A motion to reconsider was laid on the table.

EDNA RITA SAFFRON FIDONE

Mr. BUFFETT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5047) for the relief of Edna Rita Saffron Fidone.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain this bill?

Mr. BUFFETT. The bill is to enable a serviceman now located in this country to bring his wife from Australia. She was heretofore kept out by a technicality. This bill will simply mean that the wife can come here now instead of 6 months from now.

Mr. MARTIN of Massachusetts. It was favorably reported by the committee?

Mr. BUFFETT. Yes. It was favorably reported by the committee, and it has been approved all along the line.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws, relating to the issuance of immigration visas for admission to the United States for permanent residence and relating to admissions at ports of entry of aliens as immigrants for permanent residence in the United States, the provisions of section 3 of the Immigration Act of 1917 (39 Stat. 875), as amended (U. S. C., title 8, sec. 136 (e)), which exclude from admission into the United States "persons who have been convicted of or admit having committed a felony, or other crime or misdemeanor involving moral turpitude", shall not hereafter be held to apply to Edna Rita Saffron Fidone, on account of a conviction in Australia for having been involved in the stealing of certain merchandise. If she is found otherwise admissible under the immigration laws, an immigration visa may be issued and admission granted to Edna Rita Saffron Fidone under this act upon application hereafter filed.

With the following committee amendments:

Strike out all after the enacting clause and insert "That notwithstanding the provisions of eleventh category of section 3 of the Immigration Act of 1917 (8 U. S. C. 136 (c)), Edna Rita Saffron Fidone, the wife of a citizen of the United States who served honorably in the armed forces of the United States during World War II, may be admitted to the United States for permanent residence under the act approved December 28, 1945 (Public Law 271, 79th Cong.), if she is found otherwise admissible under the provisions of the immigration laws."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include a magazine article.

Mr. GOODWIN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mrs. SMITH of Maine asked and was given permission to extend her remarks in the RECORD and include an article on the making of Maine, from the Maine Publicity Bureau.

Mr. MURDOCK asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent.

Mrs. WOODHOUSE asked and was given permission to extend her remarks in the RECORD and include a newspaper article on price control.

SPECIAL ORDER GRANTED

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that on tomorrow, following the regular business and any other special orders, I may address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEGISLATIVE PROGRAM FOR TOMORROW

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time to inquire of the majority leader as to the program for tomorrow.

Mr. McCORMACK. The first order of business will be the rule on the Reed bill, after which the OPA conference report will be taken up. Following the OPA conference report, consideration of the Reed bill under general debate. Following the Reed bill will be the amendments to the Social Security Act.

Mr. MARTIN of Massachusetts. The social-security bill will follow the Reed bill in that order, no matter whether it is reached tomorrow or not?

Mr. McCORMACK. Exactly.

Mr. KUNKEL. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. KUNKEL. How much time is there on the social-security bill?

Mr. McCORMACK. One hour, I think. There are 2 hours' general debate on the Reed bill.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD and include an editorial recently appearing in the Boston Globe.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. MURRAY] is recognized for 1 hour.

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

SOME FACTS ABOUT OUR DOMESTIC AND FOREIGN AGRICULTURAL SITUATION

Mr. MURRAY of Wisconsin. Mr. Speaker, I have observed the expansion of the farm industry of my State and also of the Nation. I have observed the improvements in quality of food produced. I have for many years made an effort to keep up to date in the scientific progress made in the study of the production and marketing of agricultural products and in the local, State, National and international exchange of all products.

I have hesitated to present the results of the study I have made because they reveal facts which are revolutionary and which are most contrary to the propaganda disseminated by the present administration.

First of all, I wish to call your attention to the fact that the figures and charts which were utilized in my study were obtained from official Government agencies. At this point I wish to quote statements by G. L. Shores, of the Bureau of Agricultural Economics of the Department of Agriculture, which appears on pages 404 of the Journal of Farm Economics, volume 26:

We—

Meaning United States—

were consistently a net exporting Nation in these products—

Meaning food products—

during the period 1912 through 1924 and a net importer during the period 1925 through 1941.

The above comparisons point to the significant but not too widely recognized fact that the United States foreign trade in foodstuffs during the past three decades has been small relative to production and that except for the two war periods, the country—

Meaning United States—

has been a net importer of foodstuffs.

I have used two charts and many tables from the Agriculture and the Commerce Departments. I have also had the Case Wilkin chart on factory pay rolls and national farm income in this study. One chart indicates the total agricultural exports and imports, and the other shows the exports and imports of foodstuffs. These charts were obtained from the Department of Commerce, which department also furnished a break-down of the food items used in the charts. The imports and exports of foodstuffs include meat products, dairy products, fish, animal edible fats, grains and preparations, vegetables and preparations, fruits and preparations, edible vegetable oils, sugar, glucose, fruit juices, tapioca, nuts and feeds. Most of the noncompetitive foodstuffs imported were bananas, spices, coffee, tea, and cocoa.

THE TOTAL AGRICULTURAL PRODUCTS CHART

First we will consider the chart and tables showing the total agricultural exports and imports. What conclusions can we arrive at from this information?

First. That in 1925 the United States changed from an agricultural export nation to an agricultural import nation.

RETIREMENT FOR CERTAIN OFFICERS AND EMPLOYEES AFTER 25 YEARS OF SERVICE

JULY 22, 1946.—Ordered to be printed

Mr. JACKSON, from the committee of conference, submitted the
following

CONFERENCE REPORT

[To accompany H. R. 4718]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4718) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least twenty-five years of service, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding at the end thereof the following new subsection:*

“(e) Any officer or employee to whom this Act applies who, after having attained the age of fifty-five and after having rendered at least twenty-five years of service computed as prescribed in section 5 of this Act,

“(1) shall have been involuntarily separated from the service not by removal for cause on charges of misconduct or delinquency between July 1, 1945, and June 30, 1947, both dates inclusive; or

“(2) shall have been voluntarily separated from the service between such dates if such officer or employee had accepted a position with a lower rate of basic salary, pay, or compensation after having been involuntarily separated (not by removal for cause on charges of misconduct or delinquency) between such dates from a position with a higher rate of basic salary, pay, or compensation, and was receiving less than such higher rate at the time of his voluntary separation,

shall be paid an immediate life annuity beginning on the first day of the month following the date of final separation from the service. Such annuity shall have a value equal to an annuity computed as provided in section 4 of this Act reduced by one-sixth of 1 per centum for each full month any such officer or employee is (A) under the age of sixty years if he has rendered at least thirty years of service computed as prescribed in section 5 of this Act, or (B) under the age of sixty-two years if he has rendered less than thirty years of service computed as prescribed in section 5 of this Act."

And the Senate agree to the same.

HENRY M. JACKSON,
CARTER MANASCO,
LEO RAYFIELD,
EDWARD H. REES,
JOHN W. BYRNES,

Managers on the Part of the House.

SHERIDAN DOWNEY,
WALTER F. GEORGE,
HARRY F. BYRD,
WILLIAM LANGER,
THOS. C. HART,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4718) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least 25 years of service, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment strikes out all of the House bill after the enacting clause. The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate with an amendment which is a substitute for both the House bill and the Senate amendment, and that the Senate agree to the same.

The House bill added a new subsection to section 1 of the Civil Service Retirement Act of May 29, 1930. The Senate amendment adds a new proviso to section 7 (a) of such act. An employee retiring under section 1 of such act may elect to receive, in lieu of the full annuity to which he is entitled, a reduced annuity and an annuity after his death payable to his beneficiary. Employees retiring under section 7 (a) of such act have no such right of election. The conference substitute is the same as the House bill.

The Senate amendment provides that an officer or employee must have attained the age of 55 and have completed at least 25 years of service prior to involuntary separation from the service in order to be eligible for the retirement benefits of the proposed legislation. The House bill had no such age requirement, but extended the benefits of the bill to officers and employees who are voluntarily separated from the service if they have accepted positions with lower rates of basic compensation after having been involuntarily separated from positions with higher rates of basic compensation and were receiving less than such higher rates at the time of their voluntary separation. The conference substitute adopts the provisions of the Senate amendment with respect to the age requirement, but retains the language of the House bill with respect to voluntary separations.

The benefits of the House bill were limited to officers and employees separated from the service between August 14, 1945, and August 14, 1947, while the Senate amendment included officers and employees separated from the service between July 1, 1945, and June 30, 1947, both dates inclusive. The conference substitute adopts the Senate provision.

The House bill provided that annuity shall be paid beginning on the 1st day of the month following the date of separation from the

service or the 1st day of the month following the date of enactment of the proposed legislation, whichever date is the later. The Senate amendment prescribes that the annuity shall, in every case, be paid beginning on the 1st day of the month following the date of separation from the service. The conference substitute follows the Senate amendment.

HENRY M. JACKSON,
CARTER MANASCO,
LEO RAYFIEL,
EDWARD H. REES,
JOHN W. BYRNES,
Managers on the Part of the House.



- DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued July 24, 1946
For actions of July 23, 1946
79th-2nd, No. 145

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HIGHLIGHTS: House agreed to conference report on price-control measure. Sen. Wherry made a report on livestock receipts and prices at major markets. Senate made price-control conference report unfinished business. Rep. White introduced bill to protect forests against insects. President approved 3rd deficiency appropriation and stockpiling bills.

HOUSE

1. PRICE CONTROL. Agreed, 210-142, to the conference report on H. J. Res. 371, to extend and amend the Price Control and Stabilization Acts. During the debate agricultural commodities were discussed at several points. (pp. 9894-918.)
2. UNESCO. Received the conference report on H. J. Res. 305, to provide for U. S. participation in the United Nations Educational, Scientific, and Cultural Organization (pp. 9918-9). Senate agreed to the report (p. 9877).
3. PERSONNEL. Agreed to a conference report on H. R. 4718, to amend the Civil Service Retirement Act so as to provide annuities for separated employees at least 55 years of age who have rendered at least 25 years of service (p. 9930). The Senate has not yet acted on the report.
Concurred in the Senate amendment to H. R. 5590, to provide for uniform administration of efficiency ratings (p. 9934). This bill will now be sent to the President.
4. RESEARCH. The Public Lands Committee reported with amendment H. R. 6896, to provide for donation of a tract of land at the Livestock Range Experiment Station, Mont., to Miles City (H. Rept. 2631) (p. 9940).
Concurred in the Senate amendments to H. R. 5911, to establish an Office of Naval Research in the Navy Department (p. 9933). This bill will now be sent to the President.
5. FARM PROGRAM. Rep. Madden, Ind., commended the farm program since 1933 (p. 9936).
6. FLOOD CONTROL. Received from the War Department a survey report on various creeks in Pike County, Ill. (H. Doc. 713) (p. 9940).

7. ALCOHOL; GRAIN. Received various petitions against use of grain for alcohol during the shortage (p. 9941).

SENATE

8. PRICE CONTROL. The conference report on H. J. Res. 371, to extend and amend the Price Control and Stabilization Acts, was made the unfinished business (p. 9875).
9. SURPLUS PROPERTY. Passed as reported H. R. 6702, to clarify the rights of former owners of commercial real property to reacquire such property under the Surplus Property Act of 1944 (pp. 9877-8). Senate conferees were appointed (p. 9878).
10. VETERANS. Passed with amendments H. R. 4051, to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave (pp. 9847-75).
11. MINERALS. The Mines and Mining Committee reported without amendment H. R. 4562, to insure the preservation of technical and economic records of domestic sources of ores of metals and minerals (p. 9840).
12. HEALTH. Sen. Donnell, Mo., criticized the release of a report by the Senate Subcommittee on Health and Education endorsing a compulsory national health insurance plan, and claimed that the Subcommittee did not meet to approve the report (pp. 9841-7).
13. LIVESTOCK AND MEAT. Sen. Wherry, Nebr., inserted reports on livestock prices and receipts at major markets and a N. Y. Times editorial concluding that there will be a return of the black market in meat if controls and price ceilings are restored (pp. 9879-80).
Sen. Capper, Kans., inserted a meat packer's letter urging the complete removal of price controls on meat (p. 9840).
14. GRAIN. Sen. Capper, Kans., presented a Kans. citizens' petition favoring H. J. Res. 325, to prevent the use of grain for the manufacture of liquor or for any other nonessential purposes during the period of shortage (p. 9840).
15. ATOMIC ENERGY. Sen. McMahon, Conn., inserted W. A. Higinbotham's (Federation of American Scientists) address favoring world control of atomic energy (pp. 9881-4).

BILLS INTRODUCED

16. FLOOD CONTROL. S. 2469, by Sen. Myers, Pa., authorizing the construction of flood control work on the Lackawaxen River, Pa. To Commerce Committee. (p. 9840).
17. FORESTRY; INSECT CONTROL. H.R. 7111, by Rep. White, Idaho, to provide for the protection of forests against destructive insects and diseases. To Agriculture Committee. (p. 9941.)
18. DAIRY PRODUCTS. H.R. 7114, by Rep. Smith, Va., to amend the act entitled "An Act to regulate within the District of Columbia the sale of milk, cream, and ice cream." To District of Columbia Committee. (p. 9941.)
19. LABOR. H.R. 7108, by Rep. Bienmiller (Wis.), H.R. 7110, by Rep. Telfeuer (Tenn.), and H.R. 7113, by Rep. Douglas, (Calif.), to promote the general welfare of the people of the U.S. by establishing a publicly supported labor extension program for wage and salary earners. To Labor Committee. (p. 9941.)

a chance to escape the prodigious cost of bankruptcy and reorganization in that line.

We gave them the voluntary composition of their debts, under which maturities were postponed and interest rates reduced, but without missing a single run of either freight or passenger train. The B. & O. reorganized under that bill and it was the law for several years until the Kefauver bill which this House passed to extend and make permanent the McLaughlin Act failed to pass the Senate after it had been passed here, until under its terms the McLaughlin Act ceased to be. Then we came to the proposition of what we should do. The Hobbs bill was stymied, the McLaughlin bill was dead and the Kefauver bill was stymied. So the Reed bill was drawn up by another distinguished member of our committee who has been with us all the time, the gentleman from Illinois [Mr. REED], who proposed this bill which was also unanimously approved after full hearings by the Judiciary Committee. That was to take the best of the roads that were in reorganization, that had made all of their fixed charges for 7 years, and give them a chance in a situation similar to that created by the McLaughlin Act. That is all it does, sit around the table with your creditors and make up a new plan of reorganization that will not wipe out \$2,000,000,000 of invested capital by the little people of this country if the financial conditions changed for the better and warranted such treatment. That is all it does.

In the meantime there was conducted a thorough investigation of this business of railroad reorganization over in the Senate, and eventually the Wheeler bill, S. 1253, I believe it is, came forward. It was not reported until April. It was not acted on until June. So we did not even know what the bill would provide, nor what amendments would be necessary to the House bill then pending. Then, and then only, did we begin to study it, because we had not seen it before, and we found that it was in our judgment necessary to amend the Reed bill by nine amendments. We proposed it to the committee. We had a committee print made which, of course, was confidential until the committee adopted those amendments and authorized us to print them, and since that good day they have been available to everybody, and we are proud of them, and they, in substance, amend the Reed bill by adding the Hobbs bill and the Kefauver bill, which was the extension of the McLaughlin bill. So they, with the Reed bill, according to the rule adopted and given us by the Committee on Rules, will enable us to substitute these bills for the Wheeler bill and work out of the four the best bill possible.

I want to say just a word or two about the New Haven. I hold in my hand copies, year by year, certified by the Interstate Commerce Commission, of the reports as to the New Haven stockholders, and they show year by year how they run.

There has never been a stockholding in the New Haven averaging more than \$97 per stockholder, speaking of the com-

mon stock, and \$61.32 average for the preferred stock. The gentleman from Connecticut [Mr. GEELAN] has very kindly given us a synopsis of the situation with regard to the New Haven. When in 1940 the plan for the reorganization of the New Haven was approved as I told the committee this morning, they found that the common stock, which was held by more than 21,000 stockholders, above the 50 that Mr. WALTER read a few from, was completely wiped out, and so were all of the preferred stockholders. At that time there was only \$4,000 to the credit of those 21,000 stockholders in the financial structure of that road. They said it was worthless; that it could not possibly come back, and the gentleman from Connecticut [Mr. TALBOT] told us it has had no chance to produce anything in the way of a profit since, nor will it in the future, he said this afternoon, and yet since they said it was worthless and did not have a chance to earn anything more than the fixed charges, it has made a net over-all profit of \$60,000,000. So instead of having \$4,000,000 they have got now \$64,000,000 in the till. What would become of it if you kill our efforts to give a chance to those whose stock interests earned that money which is in the till now? Of course, it would go to the only ones left, which are the bondholders, 47 of them, I believe.

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I gladly yield to the gentleman from New Jersey.

Mr. KEAN. If there is so much equity in the stock that has been mentioned by the gentleman and others, why is it that the New Haven bonds are selling on the Stock Exchange so far below par? I see here that the New Haven first mortgage 3½'s are selling at \$54, first mortgage 6's selling at \$63, and New Haven 4's \$57, selling at \$29?

Mr. HOBBS. I do not know, sir. I am just a country boy from Alabama.

Mr. KEEFE. The reason is that there is no equity in the common stock.

Mr. HOBBS. I know very little about stock equities. All I know is that whether there is any advantage to be gained by the bondholders, that millions of "when issued" stock is being bought by those same bondholders every day! I know that millions of "when issued" stocks are being bought by those same bondholders today, and I know they are paying nothing for it.

Mr. KEAN. Of course the people who are trading in this "when issued" stock are the chief opponents of this bill.

Mr. HOBBS. Yes, sir. You are exactly right in that statement.

Mr. KEAN. They have a gamble in this thing, and if the bill is passed all their profits are wiped out.

Mr. HOBBS. I appreciate the gentleman's contribution, and I challenge him to show me a single proponent of this bill or a single person that favors this bill who has been allowed to buy a single share of "when issued" stock.

Mr. KEAN. I do not mean people here, of course.

Mr. HOBBS. I am talking about people anywhere.

Mr. KEAN. Yes.

Mr. HOBBS. You could not get into that circle with a crowbar or a jimmy. That is a real closed shop. It is only the favored few, who can get on this "gravy train" and buy this "when issued" stock. They do not want their ride interrupted and so are fighting this bill.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am delighted to yield to the gentleman from Tennessee.

Mr. JENNINGS. Is it not an indisputable fact that the bondholders whose bonds are secured by first mortgages on these properties cannot be hurt by this bill, but that on the other hand this is the only method suggested by which the common stockholders and the junior creditors can get anything?

Mr. HOBBS. Yes, sir. If they get anything the preferred stockholders and the bondholders will, too. We want to protect railroad credit from top to bottom, from the first mortgage bondholder on down. We are fighting for fairness to all. None can be safe, nor sure, unless all are treated fairly.

The CHAIRMAN. The time of the gentleman from Alabama has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That if the properties of any railroad corporation, debtor in a proceeding pending under section 77 of the Bankruptcy Act, as amended, shall have produced average annual earnings during the period of the preceding seven calendar years sufficient to pay the fixed charges of the said debtor in the said years, and the judge shall so find, the judge upon application therefor by the debtor or by any other party in the proceedings shall enter an order directing the return of the possession of the said properties and the management and operation thereof to the debtor upon the following condition:

1. That the debtor shall proceed immediately to effect such readjustment of its financial structure as in the light of the present prospective earnings and of other relative facts and circumstances may be consistent with sound financial practice;

2. That if within a period of 18 months, or such extended periods as the judge upon application therefor may approve, following the entry of such order, (a) the several classes of security holders shall provide a plan for readjustment of such financial structure, and (b) such readjustment provides for such reduction in fixed charges as may be consistent with sound financial practice, and (c) the Interstate Commerce Commission shall authorize the issuance of such new securities as may be required by such readjustment, and (d) the judge shall so find, the judge upon application therefor by the debtor or by any other party in the proceedings, shall enter an order dismissing the proceedings under section 77 of the Bankruptcy Act, as amended, and providing for or requiring, the transfer by the trustees or any other party or parties in possession of the properties of the debtor pursuant to order of the court of all their right, title, and interest in and to the properties to the debtor, and the Interstate Commerce Commission, shall dismiss the proceedings before that Commission for the reorganization of the debtor under section 77 of the Bankruptcy Act, as amended.

3. That if upon termination of the said period of 18 months or such extended period as the judge may approve, an order shall not have been entered by the judge as provided in the foregoing subdivision 2, the judge shall

enter an order providing for the return of possession of the properties to the trustees or to such successor trustees as may be appointed pursuant to the provisions of section 77 of the Bankruptcy Act, as amended, or to any other party or parties previously in possession of the properties of the debtor pursuant to order of the court, and directing that the proceedings under section 77 of the Bankruptcy Act, as amended, shall be resumed and brought to a conclusion, subject to the provisions and requirements of said section.

Mr. SUMNERS of Texas. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5924) to enable debtor railroad corporations, whose properties during a period of 7 years have provided sufficient earnings to pay fixed charges, to effect a readjustment of their financial structure without further proceedings under section 77 of the Bankruptcy Act, as amended, had come to no resolution thereon.

TITLE TO LANDS BENEATH TIDAL AND NAVIGABLE WATERS

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the joint resolution (H. J. Res. 225) to quiet the titles of the respective States, and others, to lands beneath tidewaters and lands beneath navigable waters within the boundaries of such States and to prevent further clouding of such titles, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 3, after line 21, insert:

"The United States excepts from this disclaimer and retains all right, title, and interest claimed and asserted by Presidential Proclamation No. 2667 of September 28, 1945, or otherwise to the subsoil and sea bed of or the resources in the Continental Shelf lying oceanward from the area described in the first clause (1) of the preceding paragraph."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. HOBBS. Mr. Speaker, I have an amendment which I intend to offer to the Senate amendment.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

Mr. MICHENER. Mr. Speaker, reserving the right to object, I understood from the chairman that the Committee on the Judiciary was unanimously in favor of the Senate amendment. If we are going to take up other amendments, then I believe it had better be done in the regular way. If other amendments are going to be offered to the Senate amendment, I do not think it ought to be brought up at this time.

The SPEAKER. Does the gentleman from Alabama intend to insist on offering an amendment to the Senate amendment if unanimous consent is granted for

the consideration of the Senate amendment?

Mr. HOBBS. Mr. Speaker, I have no intention of inconveniencing the House or anything of that kind, but I feel very deeply that this amendment to the Senate amendment should be offered in order to protect the interests of our Government.

The SPEAKER. If amendments other than the Senate amendment are to be considered, the Chair would prefer that the gentleman withdraw his request at this time.

Mr. SUMNERS of Texas. Mr. Speaker, I withdraw my request.

CIVIL SERVICE RETIREMENT ACT

Mr. JACKSON. Mr. Speaker, I call up the conference report on the bill (H. R. 4718) to amend the Civil Service Retirement Act of May 29, 1930, as amended, and ask unanimous consent that the reading of the report be dispensed with.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

(For conference report and statement, see proceedings of the House of July 22, 1946.)

Mr. JACKSON. Mr. Speaker, this report simply modifies the bill as it passed the House. The House version provided for no age minimum on retirement. The Senate had a retirement age of 55. The Senate insisted on that and the House yielded. The report is unanimous. There are no requests for time and, therefore, Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

TRAINING OF OFFICERS IN THE NAVAL SERVICE

Mr. DREWRY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2304) providing for the training of officers in the naval service, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. COLE of New York. Mr. Speaker, I reserve the right to object.

Mr. DREWRY. Mr. Speaker, there is no objection to this bill except that there is an agreement by the members of the Committee that the gentleman from New York [Mr. COLE] be allowed to offer an amendment to section 16.

Mr. COLE of New York. Mr. Speaker, my purpose in reserving the right to object was to point out that the Senate bill being called up is identical to the bill which was reported by the Committee on Naval Affairs of the House except in some minor instances. The bill as reported by the House committee contains a section which was controversial. With the understanding that that section will be omitted from the Senate bill, there will be no objection to the consideration of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. DREWRY]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That a naval and Marine Corps officer candidate training program, supplementary to existing programs, is hereby established, which shall be administered by the Secretary of the Navy in accordance with the provisions of this act and with such regulations as the President may prescribe.

SEC. 2. No individual shall be enrolled in the training program which this act establishes unless (a) he be a male citizen of the United States; (b) with the consent of his parent or legal guardian in the case of a minor, he shall have entered into a contractual agreement with the Secretary of the Navy, acting for and on behalf of the United States, in which said individual obligates himself to the United States for such periods as may be necessary to effectuate the purposes of this act; and (c) he signs an agreement to accept a commission in the Navy or Marine Corps if offered and, having accepted such commission, he will, in the event of termination thereof, accept such commission in the organized Naval or Marine Corps Reserve that may be offered him and thereafter will not resign from the Reserve prior to the sixth anniversary of the date of rank stated in his original commission in the Regular Navy or Marine Corps. The Secretary of the Navy may release any individual from such obligation and separate the individual from the training program at any time that, in the opinion of the Secretary of the Navy, the best interest of the naval service requires such action.

SEC. 3. The Secretary of the Navy is authorized to enroll in the training program—

(a) any person (1) who, on May 1, 1946, was a member of the Naval Reserve Officers' Training Corps or (2) who subsequent to such date may be admitted to such corps and who will not be more than 25 years of age on July 1 of the calendar year in which eligible for appointment to commissioned ranks pursuant to subsection 6 (a). Upon enrollment such persons shall be appointed midshipmen in the Naval Reserve.

(b) as a naval aviation officer candidate (1) any high-school graduate or person of equivalent educational level, or any person who has completed satisfactorily less than two scholastic years' work in an accredited college or university, and who will not be more than 21 years and 6 months of age on July 1 of the calendar year of his appointment as midshipman as hereinafter prescribed; each such candidate shall be enlisted as an apprentice seaman, United States Naval Reserve, and shall, following enrollment, be required to attend such accredited college or university as may be authorized by the Secretary of the Navy as a regular student until he shall have satisfactorily completed not less than two scholastic years of work and in addition shall be required to participate in such military or civil aviation training activities as may be prescribed by the Secretary of the Navy; following the satisfactory completion of such scholastic work and aviation-training activities, such candidates shall be appointed midshipmen in the Navy and ordered to duty for flight training; (2) any member of the Naval Reserve Officers' Training Corps who has satisfactorily completed two scholastic years' training in such corps and any other person who shall have satisfactorily completed not less than two scholastic years' work in an accredited college or university, and any enlisted man of the Navy or Marine Corps who shall demonstrate by a test the attainment of an educational level equivalent to that of two scholastic years of work in an accredited college or university; such candidates shall be not more than 21 years and 6 months of age on July 1 of the

July 27

32. SUGAR PRICES. Extension of remarks of Rep. Domengeaux, La., inserting a statement urging increases in sugar prices (p. A4740).
33. CONGRESSIONAL REORGANIZATION. Extension of remarks of Rep. Brown, Ga., opposing the provision of the LaFollette bill which would transfer CCC matters from the Banking and Currency Committee to the Agriculture Committee (pp. A4737-8).
34. PRICE CONTROL. Various statements, etc., regarding price control (pp. A4698-9, 4702-3, 4735, 4746).

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35. ALCOHOL; RUBBER. Passed with amendment S. J. Res. 166, to permit alcohol plants to produce sugars and sirups until Dec. 31, 1947, and to postpone the disposition of alcohol-rubber plants pending establishment of a permanent rubber policy (pp. 10403-4).
36. TRANSPORTATION. Debated H. R. 2536, the Bulwinkle bill to amend the Interstate Commerce Act regarding agreements among carriers (pp. 10365, 10372-6, 10388-9, 10392-402).
37. SURPLUS PROPERTY. Concurred in the House amendments to S. 1636, to designate the State Department as the disposal agency for surplus property outside continental U. S. (p. 10368). This bill will now be sent to the President.
Agreed to the conference report on H. R. 6702, to clarify the rights of former owners of surplus real property to reacquire it (p. 10376).
38. MINERALS. Agreed to the conference report on S. 1236, to amend the Mineral Leasing Act so as to promote the development of oil and gas on the public domain (pp. 10368-9). This bill will now be sent to the President.
39. VOCATIONAL EDUCATION. Concurred in the House amendments to S. 619, the vocational education bill (p. 10372). This bill will now be sent to the President.
40. RETIREMENT. Agreed to the conference report on H. R. 4718, to amend the Civil Service Retirement Act so as to provide annuities for certain personnel who are separated (pp. 10365-6). This bill will now be sent to the President.
41. ATOMIC ENERGY. S. 1717, the atomic-energy bill, was inserted in the form in which it was finally passed (pp. 10405-11).
42. PRICE CONTROL. Sen. Thomas, Okla., inserted a statement of questions and answers regarding the new price-control law (p. 10377).
43. HOUSING. Sen. Wherry inserted and discussed a Census Bureau and Budget Bureau statement giving background data regarding the housing problem (pp. 10377-87).
44. ADJOURNED until Mon., July 29 (p. 10412).

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45. COOLEY FARM-CREDIT BILL. Received the conference report on this bill, H. R. 5991 (pp. 10454-61). The conferees provided for administration of the bill through a Farmers' Home Administration, excepted from the re-transfer provisions those properties under NHA which are now in liquidation, provided that liquidation of resettlement projects shall be under the terms of S. 704, provided that no person who has failed to liquidate his indebtedness for five

consecutive years shall be eligible for further loans until he has paid such debt in full; included provisions for committee certifications regarding borrowers and loans; eliminated the Senate provisions for guidance to veterans irrespective of prior farming experience or ability to get credit elsewhere and the authorization for grants to individuals or cooperatives; included Senate provisions for loans to repair, improve, and enlarge farms, and for loans to veterans with disabilities; provided for a $3\frac{1}{2}\%$ interest rate; deleted the House requirement that a tenant purchase borrower pay appraisal and inspection costs; adopted the provision limiting the size of tenant purchase loans; included the \$100,000 minimum for each State; agreed to the House provision regarding allocation of special appropriations for veterans; included the farm-mortgage insurance provisions with modifications; provided for Senate confirmation of the Administrator; authorized temporary postponement of liquidation of regional finance offices; eliminated the requirement that installments be "equal"; and transferred crop-feed loans to the new agency.

46. RAILROAD RETIREMENT. Concurred, 189-64, in the Senate amendments to H. R. 1362, which struck out the coverage of certain non-railroad employees (pp. 10447-52). This bill will now be sent to the President.
47. WOMEN'S RIGHTS. The Labor Committee reported with amendments H. R. 5221, providing for equal pay for equal work of men and women (H. Rept. 2687)(p.10471).
48. HOMESTEADS. The Public Lands Committee reported with amendment H. R. 5118, to amend the act relating to credit for military or naval service in connection with homestead entries (H. Rept. 2688)(p. 10471).
49. PRICE CONTROL; STATISTICS. The Labor Committee reported without amendment H. J. Res. 389, to authorize the Bureau of Labor Statistics to collect price and rent information in additional cities and at more frequent intervals (H. Rept. 2690)(p. 10471).
50. GRAIN; ALCOHOL. Received various petitions against use of grain for alcohol during the shortage (p. 10471).
51. ASSISTANT SECRETARIES OF AGRICULTURE. Reps. Smith (Ohio) and Bach (N.Y.) objected to Rep. Flannagan's (Va.) requests to consider by unanimous consent H.R. 5757, to establish two additional offices of Assistant Secretaries of Agriculture (pp. 10417, 10433). Rep. Flannagan made and withdrew a motion to suspend the rules and pass the bill (pp. 10417, 10433).
52. MARKETING AGREEMENTS. Passed with amendments H.R. 6303, to amend the Agricultural Marketing Agreement Act of 1937, to provide that on agricultural commodities other than milk and its products, marketing agreements and orders may operate under certain conditions without the strict application of the parity limitations; to grant specific authority for the requirement of compulsory inspection; to permit the levy and collection of continuous assessments pursuant to a marketing agreement and order; and to add "almonds" to the commodities to which the Act is applicable (pp. 10432-3). Section 4, to authorize a referendum among commodity producers to include additional commodities under the Act, was stricken from the bill by a committee amendment (p. 10433). Earlier in the day Rep. Smith, Ohio, objected to Rep. Flannagan's (Va.) request to consider the bill by unanimous consent (p. 10417).
53. WATER POLLUTION; HEALTH. Passed without amendment H.R. 7101, to prohibit, for the purpose of protecting American agriculture, horticulture, livestock, and the public health, the throwing or depositing of garbage from any vessel,

Revenue Code, and for other purposes, which were ordered to lie on the table and to be printed.

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

The following bills and joint resolution were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated:

H. R. 1459. An act for the relief of Mr. and Mrs. J. W. Williams, Jr.;

H. R. 3209. An act for the relief of Edward A. Mason;

H. R. 3619. An act for the relief of Harry D. Koons;

H. R. 4374. An act for the relief of the legal guardian of Rudolph K. Bartels, Jr., a minor;

H. R. 5093. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Albert Whilden; and

H. R. 5847. An act for the relief of Watson Airfotos, Inc.; to the Committee on Claims.

H. R. 6455. An act to amend the act entitled "An act to provide books for the adult blind"; to the Committee on the Library.

H. R. 6896. An act to grant to the city of Miles City, State of Montana, certain land in Custer County, Mont., for industrial and recreational purposes and as a museum site; to the Committee on Public Lands and Surveys.

H. R. 6899. An act to authorize the Indiana State Toll Bridge Commission to construct, maintain, and operate a toll bridge, or a free bridge, across the Ohio River at or near Lawrenceburg, Dearborn County, Ind.; and

H. R. 6953. An act authorizing the city of East St. Louis, Ill., its successors and assigns, to construct, maintain, and operate a toll bridge across the Mississippi River at or near a point between Delmar Boulevard and Cole Street in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.; to the Committee on Commerce.

H. R. 7039. An act to further amend section 304 of the Naval Reserve Act of 1938, as amended, so as to grant certain benefits to naval personnel engaged in training duty prior to official termination of World War II;

H. R. 7063. An act to provide for the selection for elimination and retirement of officers of the Regular Army, for the equalization of retirement benefits for members of the Army of the United States, and for other purposes; and

H. J. Res. 387. Joint resolution granting permission to Thomas Parran, Surgeon General of the Public Health Service; Rolla E. Dyer, Assistant Surgeon General, Public Health Service; Howard F. Smith, Assistant Surgeon General, Public Health Service; Herbert A. Spencer, medical director, Public Health Service; Vance B. Murray, medical director, Public Health Service; and Gilbert L. Dunnahoo, medical director, Public Health Service, to accept and wear certain decorations bestowed upon them by France, Cuba, Mexico, Chile, Finland, and Luang-Prabang; ordered to be placed on the calendar.

A DECADE OF PROGRESS FOR PENNSYLVANIA FARMERS—ADDRESS BY SENATOR GUFFEY

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an address on the subject A Decade of Progress for Pennsylvania Farmers, delivered by him to a group of farmers in the State of Pennsylvania, which appears in the Appendix.]

GOVERNMENT LOANS TO BUSINESS ENTERPRISES—ADDRESS BY HENRY T. BODMAN

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an address entitled "Government Loans to Business Enterprises," delivered by Henry T. Bodman, Di-

rector, Reconstruction Finance Corporation, at the annual convention of the Michigan Bankers Association at Mackinac Island, Mich., on June 27, 1946.]

OUR EX-PRESIDENTS—ARTICLE BY CLARENCE J. ROOT

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an article entitled "Our Ex-Presidents," written by Clarence J. Root, of Highland Park, Mich., which appears in the Appendix.]

SENATOR SWIFT, OF ALABAMA—ARTICLE FROM ALABAMA LOCAL GOVERNMENT JOURNAL

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an editorial entitled "The Senator From Alabama," published in the Alabama Local Government Journal for July 1946, which appears in the Appendix.]

THE FUTURE OF ECONOMIC LIBERALISM—ADDRESS BY HON. WENDELL BERGE

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address entitled "The Future of Economic Liberalism," delivered by Hon. Wendell Berge, Assistant Attorney General of the United States, at the annual meeting of the National Lawyers Guild at Cleveland Ohio, on July 6, 1946, which appears in the Appendix.]

AMERICAN LEGION ADDRESS BY LT. GEN. GEORGE E. STRATEMEYER

[Mr. JOHNSTON of South Carolina asked and obtained leave to have printed in the RECORD an address by Lt. Gen. George E. Stratemeyer to the convention of the American Legion of South Carolina, at Greenville, S. C., July 22, 1946, which appears in the Appendix.]

AMENDMENT OF INTERSTATE COMMERCE ACT WITH RESPECT TO AGREEMENTS BETWEEN CARRIERS

The PRESIDENT pro tempore. The question is on the motion of the Senator from Kansas that the Senate proceed to the consideration of House bill 2536, to amend the Interstate Commerce Act, with respect to certain agreements between carriers.

Mr. REED obtained the floor.

Mr. BARKLEY. Mr. President, I think we ought to have a quorum present while the motion is being discussed. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Hoey	Overton
Andrews	Huffman	Pepper
Austin	Johnson, Colo.	Radcliffe
Ball	Johnston, S. C.	Reed
Barkley	Kilgore	Revercomb
Bilbo	Knowland	Russell
Burch	La Follette	Shipstead
Capper	Langer	Smith
Carville	Lucas	Stanfill
Connally	McCarran	Stewart
Cordon	McClellan	Swift
Donnell	McFarland	Taylor
Downey	McKellar	Thomas, Okla.
Eastland	McMahon	Thomas, Utah
Ferguson	Magnuson	Tunnell
Fulbright	Mead	Vandenberg
George	Millikin	Wagner
Gerry	Mitchell	Walsh
Green	Moore	Wheeler
Guffey	Morse	Wherry
Gurney	Murdock	White
Hart	Murray	Wiley
Hawkes	Myers	Willis
Hayden	O'Daniel	Young
Hill	O'Mahoney	

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Idaho [Mr. GOSSETT] are absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] is absent because of illness in his family.

The Senator from South Carolina [Mr. BRIGGS] and the Senator from New Mexico [Mr. CHAVEZ] are detained on public business.

The Senator from Virginia [Mr. BYRD] is absent on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

Mr. WHERRY. The Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Delaware [Mr. BUCK], are necessarily absent.

The Senator from Illinois [Mr. BROOKS], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Indiana [Mr. CAPEHART], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from New Hampshire [Mr. TOBEY], are absent by leave of the Senate.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. WILSON] is absent on official business.

The PRESIDENT pro tempore. Seventy-four Senators have answered to their names. A quorum is present.

LEAVE OF ABSENCE

Mr. CARVILLE. Mr. President, I ask unanimous consent to be excused from the Senate for an indefinite period.

The PRESIDING OFFICER. Without objection, leave is granted.

AMENDMENT OF CIVIL RETIREMENT ACT PROVIDING ANNUITIES FOR CERTAIN OFFICERS AND EMPLOYEES—CONFERENCE REPORT

Mr. DOWNEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4718) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least twenty-five years of service, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as

follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding at the end thereof the following new subsection:

"(e) Any officer or employee to whom this Act applies who, after having attained the age of fifty-five and after having rendered at least twenty-five years of service computed as prescribed in section 5 of this Act,

"(1) shall have been involuntarily separated from the service not by removal for cause on charges of misconduct or delinquency between July 1, 1945, and June 30, 1947, both dates inclusive; or

"(2) shall have been voluntarily separated from the service between such dates if such officer or employee had accepted a position with a lower rate of basic salary, pay, or compensation after having been involuntarily separated (not by removal for cause on charges of misconduct or delinquency) between such dates from a position with a higher rate of basic salary, pay, or compensation, and was receiving less than such higher rate at the time of his voluntary separation,

shall be paid an immediate life annuity beginning on the first day of the month following the date of final separation from the service. Such annuity shall have a value equal to an annuity computed as provided in section 4 of this Act reduced by one-sixth of 1 per centum for each full month any such officer or employee is (A) under the age of sixty years if he has rendered at least thirty years of service computed as prescribed in section 5 of this Act, or (B) under the age of sixty-two years if he has rendered less than thirty years of service computed as prescribed in section 5 of this Act."

And the Senate agree to the same.

SHERIDAN DOWNEY,
WALTER F. GEORGE,
HARRY F. BYRD,
WILLIAM LANGER,
THOS. C. HART,

Managers on the Part of the Senate.

HENRY M. JACKSON,
CARTER MANASCO,
LEO RAYFIEL,
EDWARD H. REES,
JOHN W. BYRNES,

Managers on the Part of the House.

Mr. DOWNEY. I ask unanimous consent for the immediate consideration of the conference report.

There being no objection, the Senate proceeded to consider the report.

Mr. DOWNEY. Mr. President, the bill is now in a form satisfactory to the Senate committee on the major point of argument between the House and Senate. The House gave way, including action on the provision making the minimum age 55, sponsored by the distinguished Senator from Connecticut [Mr. HART].

I move that the conference report be agreed to.

The report was agreed to.

AMENDMENT OF REVISED STATUTES PROVIDING FOR OFFICERS AND EMPLOYEES OF THE PATENT OFFICE—CONFERENCE REPORT

Mr. PEPPER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4080) to amend section 476, Revised Statutes (U. S. C., title 35, sec. 2), providing for officers and employees of the Patent Office, and for other purposes, having met, after full

and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That notwithstanding the provisions of section 476 of the Revised Statutes (U. S. C., title 35, sec. 2), the Commissioner of Patents is authorized to designate examiners of the principal examiner grade or higher, having the requisite ability, to serve as examiners in chief and such examiners so designated shall be fully qualified to act as members of the board of appeals constituted by section 482 of the Revised Statutes (U. S. C., title 35, sec. 7): *Provided*, That no such examiner shall so serve for more than ninety days in any calendar year but thereafter they shall have authority to act and sign decisions and papers necessary to complete action on cases heard during such ninety days: *And provided further*, That not more than one such examiner shall be among the members of the board of appeals hearing an appeal.

"SEC. 2. This Act shall take effect on the date of approval and shall expire three years after such date."

And the Senate agree to the same.

That the title of the bill be amended to read as follows: "An Act to authorize the Commissioner of Patents to designate examiners to serve temporarily as examiners in chief."

CLAUDE PEPPER,
SCOTT LUCAS,
A. W. HAWKES,

Managers on the Part of the Senate.

FRANK W. BOYKIN,
FRITZ G. LANHAM,
FRED A. HARTLEY, Jr.,

Managers on the Part of the House.

Mr. PEPPER. Mr. President, I ask unanimous consent for the present consideration of the conference report.

There being no objection, the Senate proceeded to consider the report.

Mr. PEPPER. Mr. President, the minority was represented on the conference, and the conferees were unanimous. The Senator from New Jersey [Mr. HAWKES] is on the floor of the Senate now. I move that the conference report be agreed to.

The report was agreed to.

TRIBUTES TO SENATOR BARKLEY ON HIS NINTH ANNIVERSARY AS MAJORITY LEADER

Mr. WHITE. Mr. President, within the last few minutes it has been brought to my attention that today marks the ninth anniversary of the elevation of the distinguished Senator from Kentucky to the leadership of the majority in the Senate. I want for this side of the Chamber to express our great admiration of this leader of the majority. We marvel at his intimate knowledge of the legislation which has been before the Senate during these long years. We appreciate his uniform courtesy. We wish for him everything worth while in life, save only permanence in the office of majority leader. [Laughter.]

Mr. BARKLEY. Mr. President, permit me to thank the Senator from Maine for calling attention to my ninth anniversary here as occupant of this seat. I could not forego the pleasure of expressing to him my deep appreciation of his fine

memory in calling attention to it, and also the uniform courtesy shown to me by him and by his colleagues on the other side of the Chamber as well as my own colleagues on this side of the Chamber during these very hectic 9 years.

Nine years seem a long time to be carved out of any man's life to be victim of so many situations as have confronted us, but I do deeply appreciate the Senator's reference to that fact and that service, and I am profoundly grateful to all my colleagues for the uniform courtesy and patience and forbearance with which my shortcomings have been overlooked and in some measure compensated for by their cooperation and sympathy.

Mr. PEPPER. Mr. President, I meant to say just a word before the able majority leader spoke, and I hope he will not mind another expression from his admiring colleagues.

I want to be one of those to join in the deserved tribute that has been paid to our majority leader by his distinguished and friendly opposite number in this Chamber.

I know of no man who could have experienced the difficult trials and tribulations which our able leader has known and have equaled him in the good humor and the cheerful courage and in the persistent determination with which he has constantly pursued his great responsibilities in this body.

I know of no one who exceeds his nimbleness of wit or mind, not only the distinguished leader but he is truly the gallant and happy warrior of the Senate beloved as he is honored by every Senator.

I am sure that every one of us in this body is proud that we are led by the able Senator from Kentucky, whose immense contribution to his times will not only be recorded in the affections of his colleagues but on the grateful pages of history.

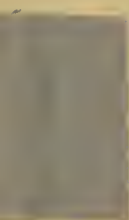
Mr. HAWKES. Mr. President, I marvel at the capacity exhibited by the majority leader, and at his great ability. I am deeply sympathetic with him because of the tremendous load he is carrying in the Senate, and I want to pay tribute to him and to say further that I believe every Member of the Senate, on both sides of the aisle, has for him a deep respect and affection.

Mr. TAYLOR. Mr. President, as a new Member, one of the younger Members of the Senate, I feel that I should not omit this opportunity and privilege of expressing my high regard for our able and beloved leader. At times I have stood in amazement at his patience, and his knowledge of all the measures that come before the Senate. I have heard any number of Senators express the sentiment that they simply do not understand how he is able to familiarize himself in detail with every measure that comes before us.

I wish to say that I have a very sincere feeling toward him. I could say that I feel toward him almost as if he were my father, and if he objects to that, why then I will say that I feel toward him as a brother.

Mr. BARKLEY. I accept the Senator's amendment.

ing. 8



[PUBLIC LAW 688—79TH CONGRESS]

[CHAPTER 908—2D SESSION]

[H. R. 4718]

AN ACT

To amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least twenty-five years of service.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding at the end thereof the following new subsection:

“(e) Any officer or employee to whom this Act applies who, after having attained the age of fifty-five and after having rendered at least twenty-five years of service computed as prescribed in section 5 of this Act,

“(1) shall have been involuntarily separated from the service not by removal for cause on charges of misconduct or delinquency between July 1, 1945, and June 30, 1947, both dates inclusive; or

“(2) shall have been voluntarily separated from the service between such dates if such officer or employee had accepted a position with a lower rate of basic salary, pay, or compensation after having been involuntarily separated (not by removal for cause on charges of misconduct or delinquency) between such dates from a position with a higher rate of basic salary, pay, or compensation, and was receiving less than such higher rate at the time of his voluntary separation,

shall be paid an immediate life annuity beginning on the first day of the month following the date of final separation from the service. Such annuity shall have a value equal to an annuity computed as provided in section 4 of this Act reduced by one-sixth of 1 per centum for each full month any such officer or employee is (A) under the age of sixty years if he has rendered at least thirty years of service computed as prescribed in section 5 of this Act, or (B) under the age of sixty-two years if he has rendered less than thirty years of service computed as prescribed in section 5 of this Act.”

Approved August 8, 1946.

